

Table with exchange rates for various currencies including British Pound, Swiss Franc, and others.

The Pressure to Enlist Baker Bush Campaign Aide Calls Staff Paralyzed

By Ann Devroy Washington Post Service WASHINGTON — President George Bush's campaign chairman, Robert A. Moshbacher,...

California's Topsy-Turvy Vote

By Lou Cannon and Dan Balz Washington Post Service LOS ANGELES — California has long been on the political cutting edge, but Mervyn Field, who has surveyed public attitudes in this state for 46 years, says he has never seen an election quite like the one to be held here Tuesday.



A Muslim militiaman on Sunday inspecting a small truck that was being used as a makeshift ambulance to carry a wounded woman to the hospital in the Bosnian capital of Sarajevo, where warring factions have announced another cease-fire.

Serbs Assail Milosevic As Sanctions Take Effect

Thousands Demonstrate In Capital, Cease-Fire Is Reached in Bosnia By Chuck Sudetic New York Times Service BELGRADE — About 50,000 anti-government demonstrators crowded streets here Sunday to mourn the war dead in Bosnia-Herzegovina, as voters across Yugoslavia cast ballots in federal elections that were boycotted by the major opposition parties and denounced by the Serbian Orthodox Church.

Once a High-Tech Pariah, East Is Courted to Join the Club

By Stuart Auerbach Washington Post Service WASHINGTON — In another sign that the Cold War is over, the United States and Germany will seek Monday to invite the old and new nations that emerged from the Soviet empire to join the agency that for decades kept high technology out of their hands, according to Bush administration officials.

Son of SDI: Bush Woos Europe to Win Russia

By Joseph Fitchett International Herald Tribune PARIS — The Bush administration has unveiled fresh details of its planned anti-missile system to allied governments, apparently because Washington hopes to woo Europeans about the plan before discussing it with President Boris Yeltsin in late June when he visits Washington.

Kiosk

Main Iraqi Nuclear Plant Destroyed

VIENNA (AFP) — Destruction of the key structures of Iraq's nuclear program will be finished within a few days, a spokesman for the International Atomic Energy Agency said Sunday.

Heat but No Light On Earth Summit

By Boyce Rensberger Washington Post Service WASHINGTON — With most of the world's heads of state due to converge on Rio de Janeiro this week for the Earth Summit to set policy on coping with global warming, most of the scientists who specialize in the subject still cannot agree on whether anything unusual is actually happening to the earth's climate.



Radical Students Briefly Take Over Central Seoul Students running through a cloud of tear gas as the riot police counterattacked on Sunday in Seoul after tens of thousands of students broke through police cordons to briefly take over the center of the city in the largest anti-government demonstration this year.

Bootleggers Thrive, Sturgeons Flounder As Caviar Cartel Splits

By Michael Dobbs Washington Post Service ASTRAKHAN, Russia — Munching casually on a sandwich crammed with several hundred dollars worth of caviar, the tanned Volga River fisherman explained why the food of czars and millionaires is in danger of extinction.

Radical Students Briefly Take Over Central Seoul

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Soccer authorities ban Yugoslavia, but Monica Seles can stay in the French Open

Page 21

The Yugoslav war reveals U.S.-Europe strain over who did most or least to stop it

Page 8

Some council members are informally discussing the possibility of a naval blockade of the Adriatic ports and of closing Bosnian airspace to Serbian planes supporting forces there.

Page 2

The resolution was adopted with 13 votes in favor; China and Zimbabwe abstained. But it made no specific reference to using force.

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The embargo, which closely resembles the Iraq sanctions, requires all the countries of the world to cease trading in any commodity, including oil, with the federation formed by Serbia and Montenegro and to freeze its foreign financial assets.

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The briefings, according to officials who took part, left open the question of whether the command posts will be international undertakings or purely U.S. ventures.

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Officials of the United Nations peacekeeping forces in Sarajevo won agreements from Serbian leaders in Bosnia-Herzegovina's government Sunday for a new cease-fire scheduled to begin

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U.S. Says It Won't Sign Wildlife Treaty

New York Times Service
WASHINGTON — The United States says it will not sign an international treaty recently negotiated by 98 countries to preserve the world's plants, animals and natural resources.

The treaty, which was the product of nearly two weeks of intense negotiations in Nairobi in mid-May, is considered one of the two main achievements of the UN Conference on Environment and Development, which begins Wednesday in Rio de Janeiro.

The other focus of the meeting, a proposed treaty to fight global warming, was accepted by the United States, but only after the administration persuaded other countries to

drop their insistence on a strict timetable for curbing emissions of carbon dioxide.

The administration's decision on the treaty preserving plants, animals and natural resources, known as the biological diversity treaty, is almost certain to be followed by "no" votes from Japan and many European nations, according to early indications.

The actions of President George Bush and other leaders of the industrialized world are likely further to roll an international conference that many had hoped would make repairing the health of the planet a central political goal.

U.S. approval is essential to the climate treaty, because it is the world's largest industrial emitter of carbon dioxide. But the biodiversity treaty protects natural resources that are distributed among many nations. It will come into force with the ratification of 30 nations.

Nevertheless, the United States appeared to be sensitive to criticism of its refusal to sign. As if anticipating criticism, the administration announced its rejection of the treaty Friday, too late for many media deadlines.

And then, almost simultaneously, the White House announced that the United States and Germany were preparing a separate international plan intended to develop economic and technical practices for preserving the world's forests.

Earth Summit: 'Reasonable Optimism'

The Earth Summit, formally known as the United Nations Conference on Environment and Development, opens Wednesday in Rio de Janeiro to seek agreement on measures to halt destruction of global resources ranging from oceans to the atmosphere. In Singapore, Tommy T. B. Koh, chairman of the preparatory committee for the meeting, spoke with Michael Richardson of the International Herald Tribune.

Q. The United States, the world's major polluter, recently refused to sign a treaty to combat global warming that set specified targets governments must meet. Is Washington doing enough to promote sustainable economic development at home and abroad?

A. Many people were extremely disappointed that the recently adopted Convention on Climate Change contains no teeth. I share their disappointment. The convention does not commit countries, especially developed countries, to reduce or stabilize their existing levels of carbon emissions.

The situation is not, however, hopeless. Take the efforts of the international community to protect the ozone layer. The first step was to adopt the Vienna Convention. Like the Climate Change convention, the Vienna agreement was also toothless. Yet, two years after its adoption, governments added to it the Montreal Protocol which is a very effective legal instrument. In the same way, I hope that when the time is ripe the international community will adopt effective protocols on each of the greenhouse gases.

Q. Aren't developing countries asking industrial nations to cut back consumption and send massive infusions of aid to poorer states for environmental purposes without any conditions attached?

A. First, it is in the interests of the developed nations to adopt a sustainable lifestyle. It is not something which the South is imposing on the North. Second, the new global partnership I have called for must be based on mutual commitments. The North will extend its helping hand to the South in exchange for the South's helping hand.

Q. What role do you see at Rio and beyond for private business and nongovernmental organizations in bringing the world back to a more sustainable growth path?

A. I foresee a very important role for business and NGOs. We will not succeed in achieving the goal of sustainable development unless we have the full cooperation of the business community. We need the private sector's help in inventing environmentally sound technology, in replacing environmentally harmful technology and products with environmentally friendly ones, and in making protection of the environment part of the policy of every corporation.

In the same way, we will not succeed unless the NGOs help governments in changing public opinion and modifying the behavior of consumers, schools, neighborhoods and communities. The aim must be to make every person a green citizen.

Q. If the Earth Summit is not to get lost in a cloud of rhetoric, what follow-up arrangements should be put in place?

A. Rio cannot solve all problems. It can only solve some of them. It is therefore very important to establish a credible institutional process to monitor, review and coordinate the implementation of decisions reached in Rio.

MONDAY Q&A

Q. What are the prospects for constructive progress and concrete agreements in Rio?

A. I am reasonably optimistic that the Earth Summit will arrive at fair and balanced agreements on all the major issues, namely, the Rio Declaration on Environment and Development; a plan of action called Agenda 21, including agreements on financial resources and transfer of technology; a statement of principles on forests, and agreement on the post-Rio institutional process to monitor and coordinate the implementation of Agenda 21.

Q. Is that enough? Hasn't the planet already been pushed, by population increase, spreading poverty and wasteful use of resources, beyond the limits of sustainable growth?

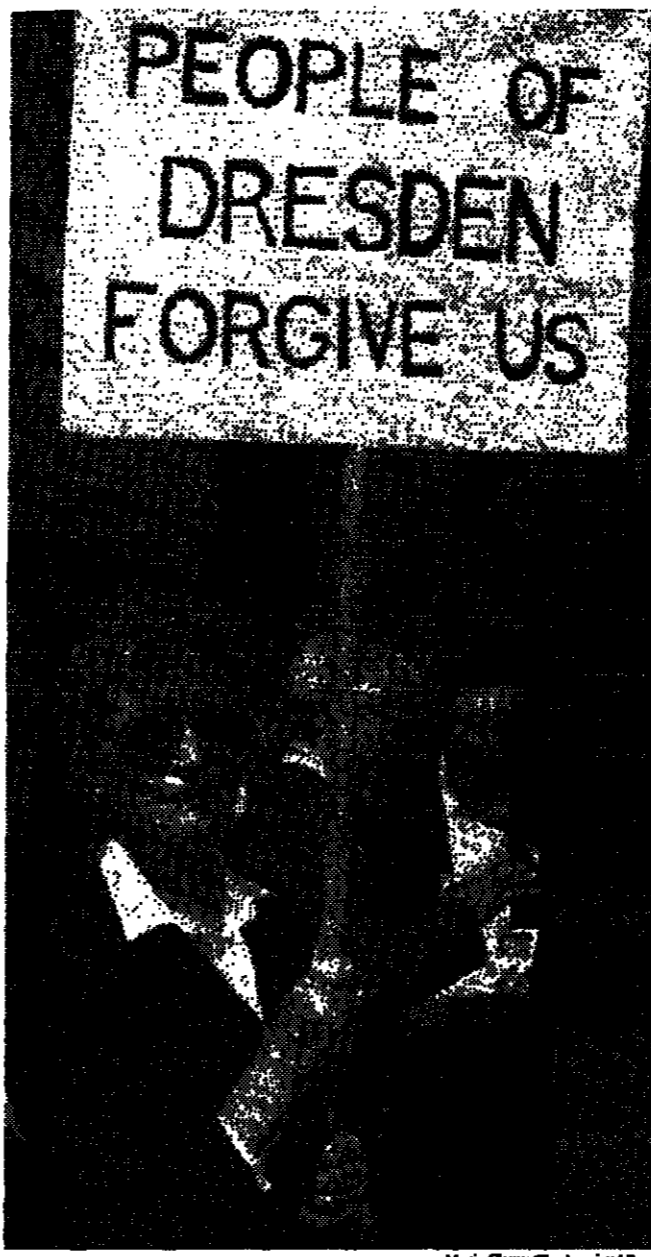
A. There is no credible scientific evidence to suggest that we have passed the limits of sustainable growth. The evidence seems to suggest that we are dangerously close to those limits and that it is time for all of us to wake up to the danger. We must collectively take urgent action to turn from the path of unsustainable development towards the road of sustainable life.

Q. What is at stake at the Rio meeting?

A. Ultimately, the survival of the human kind on planet Earth.

Q. The secretariat of the Earth Summit has calculated that the cost of protecting the environment will be around \$600 billion a year in developing countries alone, with \$125 billion of this amount coming in the form of aid from developed nations. Is the world anywhere near agreement on who is to foot the bill?

A. We must forge a new global partnership to promote sustainable development. Developing countries must rely, first of all, on themselves. However, they will need the help of developed states. I hope that in Rio agreement will be reached on the difficult question of financial resources.



Britons protesting the unveiling of the Harris monument.

Controversy Mars An RAF Dedication

By Glenn Frankel
Washington Post Service

LONDON — Europe's blood-stained past and its uncertain future collided Sunday in front of a small church in the heart of London as aging Royal Air Force veterans gathered to honor a leader whom many revere as a hero but others call a war criminal.

Hundreds of Germans gathered in Cologne and Dresden, two of the worst-hit cities, to honor the civilian dead of all nations. In Cologne, where 30 years ago Sunday the first British bombs fell, the British ambassador, Christopher Mallaby, joined the mayor in a gesture of peaceful solidarity.

More than 55,000 of Bomber Command's 125,000 "bomber boys" died during the three-year air campaign, and hundreds of their comrades gathered at St. Clement Church, the RAF's official church, to pay tribute to them and to Sir Arthur, who died in 1984.

But the presence of the Queen Mother, along with former Prime Minister Margaret Thatcher, Air Chief Marshal Sir Peter Harding of the Royal Air Force and a junior defense minister, gave the occasion a governmental stamp of approval that has deeply angered many Germans.

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In front of Queen Elizabeth the Queen Mother and a host of dignitaries, members of the Bomber Command Association unveiled a statue of Sir Arthur Harris, nicknamed "Bomber Harris," the air commander who designed and carried out the saturation bombing that leveled dozens of German cities and killed 600,000 civilians during World War II.

It was a simple but highly emotional ceremony — one dubbed "private" by the government, which said it took no official part.

In Rwanda, Overpopulation's Bitter Crop

By Jane Perlez
New York Times Service
MUSHA, Rwanda — For seven years Vestine Mukamunana has been battling, largely unsuccessfully, to encourage family planning among the impoverished peasants around her health center here, in Africa's most densely populated nation.

Of the many obstacles she faces, she says, the greatest is the opposition of men. Even more than in

most African cultures, men are supreme in Rwanda, where women toil at most of the agricultural jobs. More than half of the women remain illiterate and the fertility rate is the highest in the world.

"Most of the men won't accept their wives using contraception," said Mrs. Mukamunana, a nurse at the clinic here 65 kilometers (40 miles) southwest of Kigali, the capital.

"They want eight children. And it's a cult of egotism. They believe if their wives take pills, they will become weak and won't be able to work in the fields. And then the men would have to work."

When the world's leaders meet in Rio de Janeiro on Wednesday for the Earth Summit environmental conference, the effect of population on the environment and development will be on the agenda, but in a more muted form than population experts would like. The issue is referred to only obliquely in the draft of the Rio declaration, in which countries are urged to adopt "appropriate demographic policies." Yet demographic experts continue to issue dire warnings about the threat of overpopulation.

The director of the United Nations Population Fund, Dr. Nafis Sadik, complained last month that the Vatican had successfully lobbied against any mention of family planning and access to contraception in the "action programs" that will be made final at the Earth Summit.

Rwanda, a hilly country of about 25,800 square kilometers (10,000 square miles), is testimony to the

threat of overpopulation, which Mrs. Mukamunana believes is caused by the subservient status of women. Rwanda has 7.2 million people, or 720 per square mile, packed onto virtually every piece of arable land.

If the population grows at its current rate, Rwanda's Environment Department says, the nation will have 15.6 million people by 2010. The population is overwhelmingly rural, scratching a living from agriculture, and experts at the department say the land cannot support that number of people.

Africa was sparsely populated until the turn of the century. But in the last 30 years, the population of sub-Saharan Africa has risen from 200 million to 450 million. According to the World Bank it is expected to reach about 800 million by the end of the century.

The fertility rate in sub-Saharan Africa, 6.2 births per woman of childbearing age, is the highest regional rate recorded by the United Nations. In Rwanda, the World Bank reported a rate of 8.5 children per woman in 1989.

In her annual report, issued in April, Dr. Sadik pushed forward by two years, to 1998, the date when she predicts the world's population, now 5.4 billion, will reach 6 billion. But this forecast is based on the assumption that developing nations can reduce their birth rate from 3.8 to 3.3 children per mother by 2000. If this is not achieved, the world's population will reach 12.5 billion by the middle of the next century, unless mass starvation,

disease or war wipes out large numbers of people.

In Rwanda, women not only do all the working of the land and the fetching of wood and water, but also the cooking and cleaning.

Most Rwandans cannot afford fertilizer. And as the soil yields less, malnutrition among the ever-growing number of children increases.

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The State Is Humbled, but Swedes Adjust

By Marc Fisher
Washington Post Service

STOCKHOLM — Maria Jilken's new Octopus alternative day care center in a suburb of Sweden's capital city requires parents to do maintenance work, closes for weeks at a time, pays some teachers less than do regular schools, meets for fewer hours a day and provides the children with less supervision.

Still, the school's waiting list is so long that Miss Jilken has had to cut it off.

In Sweden, the idea that parents might want to spend more time with their children and get more involved with their schools presents a radical change from the welfare state philosophy that made this country the darling of generations of dreamers throughout the Western world.

But these are radical times in Sweden, which spent decades creating a political and social utopia that made the country a model of socialism that worked. The system has now been declared dead and is being buried with the most cursory of honors.

Last autumn, Sweden fed up with the world's highest tax rates and an increasingly troubled economy ousted the Social Democratic Labor Party, which had controlled the government for all but 6 of the previous 59 years. They elected a divided parliament that yielded a minority government under Prime Minister Carl Bildt. Mr. Bildt, 42, is a conservative whose market-oriented rhetoric sounds like a Ronald Reagan speech.

"The age of collectivism is at an end now," Mr. Bildt promised in his inaugural address. "In our Sweden, society will always mean something more than the state." Mr. Bildt pledged to dismantle huge swaths of the social welfare system, giving Swedes the right to

choose their own family doctors, schools, child care and housing.

Miss Jilken's Octopus school is based on the view that Sweden's social welfare system has produced a nation of people who believe government will do everything for them. In this view, the people's initiative and responsibility have been sapped by life in a society where everything from low rents to good jobs is guaranteed and served up by the omniscient state.

"In the regular schools, everybody does the same thing at the same time, because everyone is supposed to be equal," Miss Jilken said. "Our children choose what they want to do and learn to be responsible for themselves. We Swedes never had to do that; we always blamed society. It's time to admit that we are limited. You only have so much and that's all."

Emboldened by such supporters, Mr. Bildt began his term by announcing tax cuts, "a revolution of freedom of choice" and the beginning of the end of Sweden's cherished neutrality.

Actually, it turns out that the vaunted Swedish neutrality was not quite what it claimed to be. The Bildt government revealed a week ago that as early as the 1950s, Sweden secretly worked with the North Atlantic Treaty Organization to make its defense compatible with Western military forces. Swedish runways were widened so NATO fighters could land on them in the event of conflict with the Soviet Union. Any pretense of neutrality vanished last year when Sweden applied to join the European Community, which plans to pool its resources in a common foreign and defense policy.

In a country where more than 40 percent of workers toil either directly for government or

for the 60-odd corporations and banks that the government owns, a move to reduce the role of the state has most business people standing and cheering.

"I hope they will be able to stay the course," said Peter Wallenberg, vice chairman of Scandinavian Enskilda Banken and son of one of the country's wealthiest families. "This is a revolution, and people do see it as a threat. In the past 50 years, we created in this country about the biggest welfare state ever seen. But it was done at the expense of the economic awareness of every citizen. People really had no idea of the cost of everything."

For example, government subsidies paid 60 percent of housing costs, leaving Swedes accustomed to artificially low rents. The Bildt government is gradually reducing housing subsidies, which are to be eliminated by 1999.

A tax code that routinely claimed half of people's income — and often much more — made it pointless for entrepreneurs to expand their businesses.

The work force's absenteeism rate was routinely 25 percent. The new government has moved to attack the "long-weekend syndrome" by abolishing sick-leave compensation for the first two days of absence, but the massive trade union confederation is fighting the plan.

Many individuals have welcomed the changes as a fresh breeze. "The idea of trying to make everyone equal hurt the smarter children and the most creative adults," said Anders Jilken, board chairman of the Octopus school. "Our best people left the country for university in America or Australia, or for jobs in Europe. Now we have new rules, and that's going to be hard."

DEFENSE: Allies Get Details of Anti-Missile Plan

(Continued from page 1)

because of its manifold implications.

Besides involving high-technology systems critical for military superiority, the program addresses the problem of missile attacks by small powers — a threat to Europe from the Middle East.

Russia has even stronger reasons to cooperate: Beside wanting protection, it hopes to supply space-scanning radars to the system.

Moscow could remove the main hurdle for U.S. anti-missile defense by agreeing to amend the bilateral Anti-Ballistic Missile treaty and permit interceptor rockets to be deployed in many places instead of the treaty's two-site ceiling.

Longer resistance to the new program may come from European allies, partly because of their sour experience with its predecessor, the Strategic Defense Initiative.

With the exception of Israel, which made tangible progress toward its own anti-missile rocket, allied governments feel that they, they were dithered over SDI because they never got any military or industrial payoff.

The global protection program seems destined for a better fate, partly because the Bush administration is not pushing it stridently and partly because European capitals are judging it pragmatically, not ideologically.

Unlike SDI's promise of an impenetrable shield, the new program basically involves satellite sensors feeding data to land-based missiles protecting chosen sites. A more ambitious version includes the so-called Brilliant Pebbles, 1,000 missile-killing rockets in orbit.

While opposing Brilliant Pebbles, even most of the Democratic congressional majority support the idea of missile defenses to discourage rogue countries from even trying to build missiles capable of hitting U.S. targets.

Despite its momentum in Washington, the new program made little overt headway in Europe last week. U.S. and European officials said. But many objections concern the timing, not the program itself.

as witnessed by the discussion in several countries, including:

- Britain, which supported SDI to escalate the arms race beyond the Soviet Union's ability to compete, feels that the new program is premature because it offers too much military help too soon to Moscow.
- British officials fear that the program could strain NATO cohesion — and give Moscow technology — before it is clear that there will be no resurgent military threat from Russia.
- France, which boycotted SDI, is publicly opposed to the new program, ostensibly because Paris believes the West should be concentrating publicly on disarmament, not on new weapons.
- But strategic planners want to adapt France's nuclear arsenal to deliver immediate strikes against any rogue nation threatening French vital interests. The ideal tool for targeting French weapons would be the new system's precision mapping of the Earth's surface via satellite.

• Germany, the leading nonnuclear bearer of SDI, was bitterly disappointed by the lack of industrial fallout from SDI.

Fears that the new program will prove equally unproductive for allies, in terms of profitable subcontracts or technology transfer, dominated German reactions during the U.S. briefings last week.

Longer term, however, the program may offer the best hope for Germany — which does not want to acquire its own nuclear weapons — to obtain protection against nuclear missiles that might turn up in neighboring countries.

Carstens Dies, Ex-Bonn Leader

The Associated Press
BONN — Karl Carstens, 77, a former president of West Germany who came under criticism for a Nazi past, died Saturday. The cause of death was not given, though he suffered a stroke two weeks ago.

Despite his membership in the Nazi party during World War II, Mr. Carstens helped build good postwar relations with the United States and played a significant role in unifying Europe.

A German army officer from 1939 to 1945, he was harshly criticized for his Nazi party affiliation. Mr. Carstens said his membership was a formality and that he was not an active member of the party. Other Germans defended him, pointing out that many Germans who served during World War II had become good Democrats.

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WORLD BRIEFS

ANC Vows 'Unprecedented' Action Unless Deadlock in Talks Is Broken

JOHANNESBURG (WP) — The African National Congress announced Sunday to increase its pressure on the government through "unprecedented mass action" that could include occupying parliament and other official buildings in order to accelerate the end of white minority rule here.

Ending a four-day day policy conference, the ANC emerged with a new militancy and readiness for confrontation in the streets with President Frederik W. de Klerk if the deadlock in constitutional negotiations is not broken by July.

"It will be unprecedented mass action, said the ANC secretary-general Cyril Ramaphosa. "It's going to be rolling mass action. It's going to involve a whole lot of forms of mass action that our people have used in the past and new forms of action."

Asked whether the "mass action" might not lead to a major escalation in political violence, the ANC president, Nelson Mandela, stepped. "The government does not cooperate, they must be prepared for anything in this country. That is the lesson of history in this country."

Kohl Allies Seek to Keep Jet Alive

BONN (Reuters) — Chancellor Helmut Kohl's rightist coalition urged the government Sunday not to make a hasty decision to scrap a four-nation European project for a common jet fighter.

Finance Minister Theo Waigel, head of the Bavarian Christian Union, suggested in a newspaper interview that a decision of several years. There is concern about the loss of jobs and high technology.

Officials have said Defense Minister Volker R the will recommend Bonn abandon the fighter as too costly. He is to meet Monday military experts from the three coalition parties.

Afghan President Rejects Accord

KABUL (AP) — The caretaker president, Sibghatullah Mojaddidi, on Sunday rejected demands for the withdrawal of all security forces from Afghanistan's capital in a move likely to heighten the power struggle within the new Islamic government.

Mr. Mojaddidi said the accord reached last week between the rival mujahidin leaders Gulbuddin Hekmatyar and Ahmad Shah Masoud was not binding on his government, which wants to maintain its own security force.

The agreement was aimed specifically at a fierce Uzbek militia that helped keep Mr. Hekmatyar's forces from seizing power.

Rights Group Alleges China Abuses

BEIJING (AP) — Participants in China's 1989 pro-democracy movement have been tortured, held in solitary confinement and committed to mental institutions, Asia Watch reported Sunday.

The human rights organization, based in New York, issued a 180-page profile of dissent and repression in Hunan Province, scene of some of the largest pro-democracy protests outside Beijing in 1989. It said more than 1,000 people were detained in Hunan during and after the protests, and at least 151 still were in jails or in labor camps.

The report was issued just before the third anniversary of the June 3-4 army attack on Beijing's protesters. The report was based largely on an account by the leader of Hunan's student protesters, Tang Boqiao, who was jailed for more than a year and then fled China. He reached the United States in April. Asia Watch said it corroborated and supplemented Mr. Tang's account through other sources, many still in Hunan.

For the Record

Willy Brandt, 78, the former West German chancellor, has left a clinic in Cologne after his second operation for colon tumors since October, his newspaper Bild reported Sunday. (Reuters)

TRAVEL UPDATE

Two Paris museums, the Louvre and the Musée d'Orsay, were closed Sunday because of a strike by security guards demanding more money and better working conditions, the Culture Ministry said. The Orsay also was closed Saturday by the strike.

London City Airport will get a boost this week when City Air Scandinavia becomes the second airline to fly jets in and out of the airport: London's eastern docklands. Poor transportation links have kept passenger numbers at around 200,000 a year, one-sixth of capacity and well below the break-even point.

McDonald's inaugurated dining service on some Swiss trains Sunday. Two red dining cars bearing the Golden Arches trademark are in use, on the Geneva-Basel route and the other on the Geneva-Brig run. (AP)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because national and religious holidays:

MONDAY: Brunei, Colombia, Ireland, Kenya, New Zealand, Venezuela.
TUESDAY: Eritrea.
THURSDAY: Ghana, Iran.
FRIDAY: Bahamas, Denmark, Equatorial Guinea, Hong Kong, Iran, Macau, Taiwan.
SATURDAY: Malaysia, Monaco, South Korea, Taiwan, Uganda.
SUNDAY: Israel.

Source: J.P. Morgan, Reuters

The Weather



Region	City	Today	Tomorrow
North America	Albuquerque	22/11 14/57	23/78 15/69
	Anchorage	19/66 12/55	19/68 13/53
	Atlanta	22/71 18/54	21/70 16/59
	Austin	23/82 17/62	21/78 17/62
	Baltimore	21/70 14/57	22/71 14/57
	Boston	22/71 14/57	22/71 14/57
	Chicago	22/71 14/57	22/71 14/57
	Denver	21/70 14/57	21/70 14/57
	Houston	21/70 14/57	21/70 14/57
	Los Angeles	21/70 14/57	21/70 14/57
Europe	Amsterdam	18/66 12/55	19/68 13/53
	Berlin	22/71 14/57	22/71 14/57
	Brussels	21/70 14/57	21/70 14/57
	Copenhagen	21/70 14/57	21/70 14/57
	Dublin	17/62 12/53	18/63 13/54
	Frankfurt	22/71 14/57	22/71 14/57
	Geneva	22/71 14/57	22/71 14/57
	Helsinki	22/71 14/57	22/71 14/57
	Istanbul	20/68 12/53	21/70 14/57
	London	21/70 14/57	21/70 14/57
Asia	Bangkok	32/87 24/73	32/87 24/73
	Beijing	22/71 14/57	22/71 14/57
	Hong Kong	28/82 22/71	28/82 22/71
	New Delhi	32/87 24/73	32/87 24/73
	Shanghai	22/71 14/57	22/71 14/57
	Singapore	32/87 24/73	32/87 24/73
	Taipei	22/71 14/57	22/71 14/57
	Tokyo	22/71 14/57	22/71 14/57
	Yokohama	22/71 14/57	22/71 14/57
	Seoul	22/71 14/57	22/71 14/57

مكتبة الأمل

Will Perot Trip Up? It's Not Unlikely In an Already Bizarre Campaign, Texan's Run Spurs Much Speculation

By R. W. Apple Jr.
New York Times Service

SAN FRANCISCO — By its very existence, Ross Perot's unannounced independent presidential campaign promises the unconventional.

Mr. Perot is a businessman, not a politician. Even in a day of wealthy candidates, he is richer than anyone else in sight. He has devised a kind of self-nominating process, rooted in appearances on television talk shows. And he has taken the lead in national opinion polls, something no other presidential hopeful outside the two-party system has ever managed.

Earlier in the contest, even before Mr. Perot's sudden appearance on the political stage, a sitting president was embarrassed by a speechwriter turned pundit, and a shy, little-known former senator made a credible run at the Democratic nomination.

Not a very good year so far for the conventional wisdom, and only the uncharted territory of a three-cornered campaign lies ahead, involving a peculiar electorate, two weakened major-party standard-bearers and the dependably volatile Mr. Perot.

After a month of Perot mania, some political people are awed, some are fearful, some are angry and some are skeptical. All are paying attention, and nearly all are speculating about what may happen next.

Begin with the when-will-be-step-in-a-hole proposition. Republican and Democratic professionals alike keep wondering how long Mr. Perot can keep going.

Will there come a moment, they keep asking, when he will say something that scuttles his chances as quickly as a comment about "brainwashing" in Vietnam scuttled those of another businessman-turned-politician, George Romney, in 1968?

Some think Mr. Perot will make a mistake, and it will finish him. Some think he will make a misstep, and it will change nothing.

Some think he will avoid the pitfalls. A few think he has already tripped, with his remark in an interview with Barbara Walters taped on Thursday night about excluding homosexuals from some high governmental posts; they see him sliding away from the generalities that marked his early campaign, down the slippery slope to specificity.

What about the third-force vice presidential nomination? Like most putative presidential nominees, Mr. Perot needs to find someone who helps him with at least one segment of the electorate without hurting him with others.

He also faces the problem of persuading the person whom he chooses to accept. Few Republicans or Democrats turn down an appeal from their party's nominee, even in an era of diminished party loyalty. Running with Mr. Perot would be a bit of a leap in the dark.

"A general would do fine," said a Republican senator who was glad to play the game as long as he was not quoted. "Americans like generals — George Washington, Ulysses Grant, Ike. But the list isn't long this time."

For political purposes, it has two names on it: General Colin L. Powell, chairman of the Joint Chiefs of Staff, and General H. Norman Schwarzkopf, retired, who was the commander in the Gulf War. Neither has shown much interest in the Perot candidacy, and General Powell is otherwise occupied just now.

"You need someone who knows

his way around Washington, not a run-of-the-mill politician, a blunt talker like Mr. Perot, someone voters consider competent," said Willie Brown, the speaker of the California Assembly.

That description might fit Senator Warren E. Rudman, Republican.

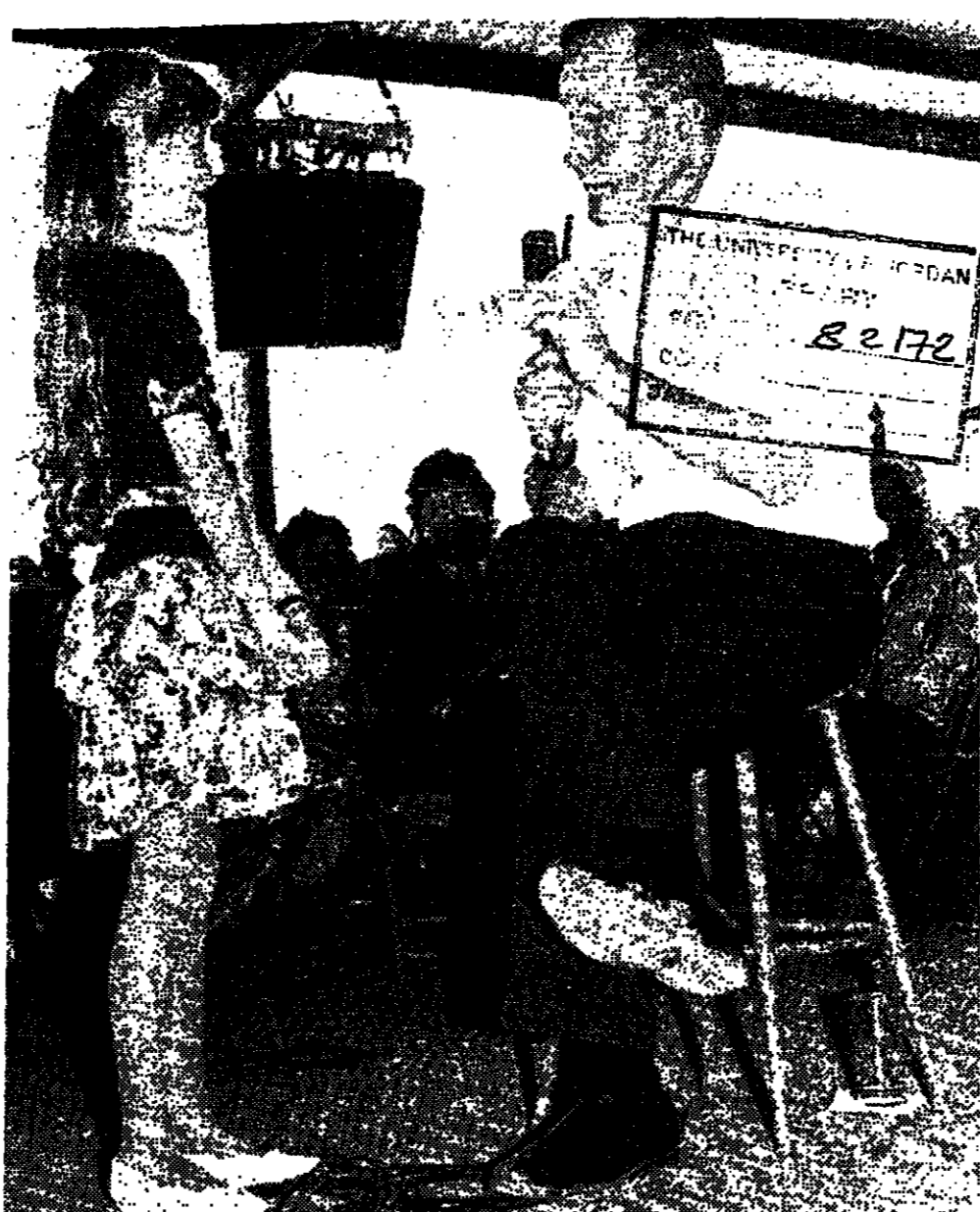
NEWS ANALYSIS

can of New Hampshire, a kind of outsider's insider who is quitting Congress because of frustration with legislative gridlock, or another retiree, Lee A. Iacocca of Chrysler, or Jeanne Kirkpatrick, the former U.S. representative to the United Nations, or even former Senator Paul E. Tsongas of Massachusetts.

Perhaps the next big surprise will not come from Mr. Perot at all.

Perhaps, as Representative Jim Leach of Iowa, a lonely Republican heretic, has been suggesting for months, Mr. Bush will decide he is in such trouble that he must dump Vice President Dan Quayle despite his promises never, ever, to do so.

"I hear around town occasionally that George Bush is going to pull out himself," said Lyndon Johnson in 1968," said Lloyd N. Cutler, a lawyer in Washington who is active in Democratic politics and who has been talking to Mr. Perot a lot. But having run that up the flagpole, Mr. Cutler hauled it back down. "I don't believe it," he said. "It's not in Bush's character to do something like that."



President George Bush explaining about inflation over the weekend to a young listener in Fresno, California, during a two-day campaign swing through the state preceding Tuesday primary voting.

Congress Armors for Flak on Bunker

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — When it was reported last week that the government had a bunker at a luxury resort in West Virginia to which members of Congress would be evacuated in a nuclear war, the lawmakers had more to fear than the disclosure of a closely guarded, national security secret. There were fears of political fallout as well.

The existence of the bunker was published in the Sunday issue of *The Washington Post Magazine*, which was printed in advance. It was first disclosed in a report in the *Washington Times* on Friday, which cited *The Post's* upcoming article.

Congressional leaders of both parties promptly issued a statement saying they had tried to persuade *The Post* not to publish the article, adding that "the effectiveness and security of the program would be jeopardized, if not terminated."

Already sensitive to criticism of check overdrafts at the House bank, members of Congress are bracing for campaign complaints that they intended to ride out an attack amid the five-star splendor of the Greenbrier, a 6,500-acre (2,626-hectare) resort in White Sulphur Springs.

"Foley's office was just kind of spastic about it," said a spokesman for another member, who gave the appraisal on the condition of anonymity, referring to Thomas J. Foley, Democrat of Washington and the House speaker.

The articles describe the bunker as self-sufficient in water, electricity and sewage treatment for as many as 800 people.

Only a few members of Congress were ever briefed about the bunker, which was built between 1958 and 1961 and is described in the articles as spartan. None could be found Saturday who had even known of the underground part.

The former House speaker, Thomas P. O'Neill of Massachusetts, is quoted in *The Post's* article as saying he "kind of lost interest" in the evacuation site when he was told he would not be allowed to take his family.

Leonard Downie Jr., executive editor of *The Post*, said the decision to publish reflected a conclusion that this was "a historically significant and interesting story that posed no grave danger to national security or human life," the standard he said the paper used in such circumstances.

The disclosure seems likely to doom the bunker as one of the government's principal evacuation sites.

Representative Richard A. Gephardt of Missouri, the House Democratic leader, opposed the publication but issued a separate statement calling the bunker a relic that had clearly outlived its usefulness.

Progress Is Hailed In Canada Unity Talks

By Clyde H. Farnsworth
New York Times Service

TORONTO — In what many Canadians hope will be the final round of their country's long-running constitutional wrangle, negotiators have signaled major progress in designing changes to hold the country together.

But there were still some disagreements that were unlikely to be resolved until provincial leaders meet Prime Minister Brian Mulroney, probably early this week.

Premier Bob Rae of Ontario said, "This aspect of the Canadian experience, of being stretched out on a couch for an extended period of time, well, my own view is that the therapy is almost concluded."

Quebec has threatened to bolt if its demands — chiefly constitutional recognition as a distinct society — are not met.

The government is preparing for a national referendum on the emerging package that would probably be held in September. Quebec and possibly other provinces are also planning to hold referendums. Quebec's is set for Oct. 26.

Two years ago a similar constitutional agreement, the so-called Meech Lake accord, was at hand. But because of disquiet over concessions to Quebec, it unraveled at the last minute. This time the negotiations are even more complex because other provinces, as well as Canada's half-million Indians, are making demands.

What has helped bring the parties together is an economic recession and the widespread recognition that joblessness could worsen and economic safety nets disappear in a country that is fractured.

Although Quebec, voicing a sense of rejection and betrayal since the Meech Lake accord failed, has formally boycotted the national unity talks, it has been following matters closely and has given hand signals to suggest that moves taken so far are acceptable.

AMERICAN TOPICS

A Step Toward Flight As Free as the Birds

Researchers are developing a device that one day may enable people to fly as freely as the birds do. In two unmanned flights, a working model of an ornithopter, a motorized aircraft that flies by the action of its flapping wings, soared as high as 100 feet (30 meters) and flew for eight minutes.

The inventors say it was the first time a powered flapping-wing aircraft was able to gain altitude and maneuver on a sustained basis.

The ornithopter is the handiwork of Jeremy M. Harris, a research engineer at Battelle Institute in Columbus, Ohio, and James D. DeLaurier, a professor of aerospace engineering at the University of Toronto.

The flights in September from a hill 60 miles (about 100 kilometers) north of Toronto marked the culmination of a 17-year effort, in their spare time, to develop a flapping-wing aircraft.

The ornithopter is made of lightweight materials, such as Kevlar and carbon fibers, and weighs only 9 pounds (4 kilograms), despite a 10-foot wingspan. The craft is powered by a model helicopter engine and has radio controls.

Mr. Harris envisions people strapping on powered ornithopters and taking to the skies.

"Sustained human-powered flight is possible, but only barely possible," he said. But with motorized assistance, he added, "people could fly like birds."

Short Takes

Disused fire lookout towers, offering 360-degree views of forest greenery, are being rented out by the U.S. Forest Service to nature-loving tourists at \$30 a night. The 5,000 towers that existed in the 1930s have dwindled to about 300, their function taken over by airplanes. But those that remain are being preserved. They often are hit by lightning, which is harmless because the lookouts are grounded as are all sizable

objects inside, including metal bed springs. "It is like being inside a light bulb when someone turns it on," said one enthusiast, Ray Kresiek of Spokane, Washington, describing a lightning strike. "Everything goes white, and there is a huge crack and an arc like from an electrical generator."

After a deranged drifter killed five children with a semiautomatic rifle in a Stockton, California, schoolyard in 1989, the state became the first to outlaw these weapons, which fire with each squeeze of the trigger. Police in crime-ridden south Los Angeles say fewer than 2 percent of fatal shootings involve semiautomatic rifles. Other police departments concur. Pistol — handier, more easily concealed and semiautomatic as well — are much preferred by the homicidal.

Speaking of concealed weapons, Robert T. Gallagher, who owns a New York security agency, has developed an all-most foolproof method of detecting their presence through body language. In 18 years as New York City police detective he disarmed more than 1,200 people carrying concealed weapons, which is a felony. Most street criminals stick their guns in their waistbands, he said, and when they walk, the leg on the gun side takes slightly shorter stride, and the arm a shorter swing. Everyone carrying a gun constantly reaches to touch the weapon what Mr. Gallagher calls a "scurry feel." This and similar signs can be fleeting, he said, but after a while "they're s obvious they jump out at you."

Two self-proclaimed witches have asked the Concord, California, school system to ban their story "Hansel And Gretel" because it degrades witches and suggests it's all right to kid them. "This story teaches that it is all right to burn witches and steal their property," said Karlyn Straganova, high priestess of the local Oak Haven Coven. "Witches don't eat children and we don't have long noses and we don't wear conic hats."

Arthur Higbee

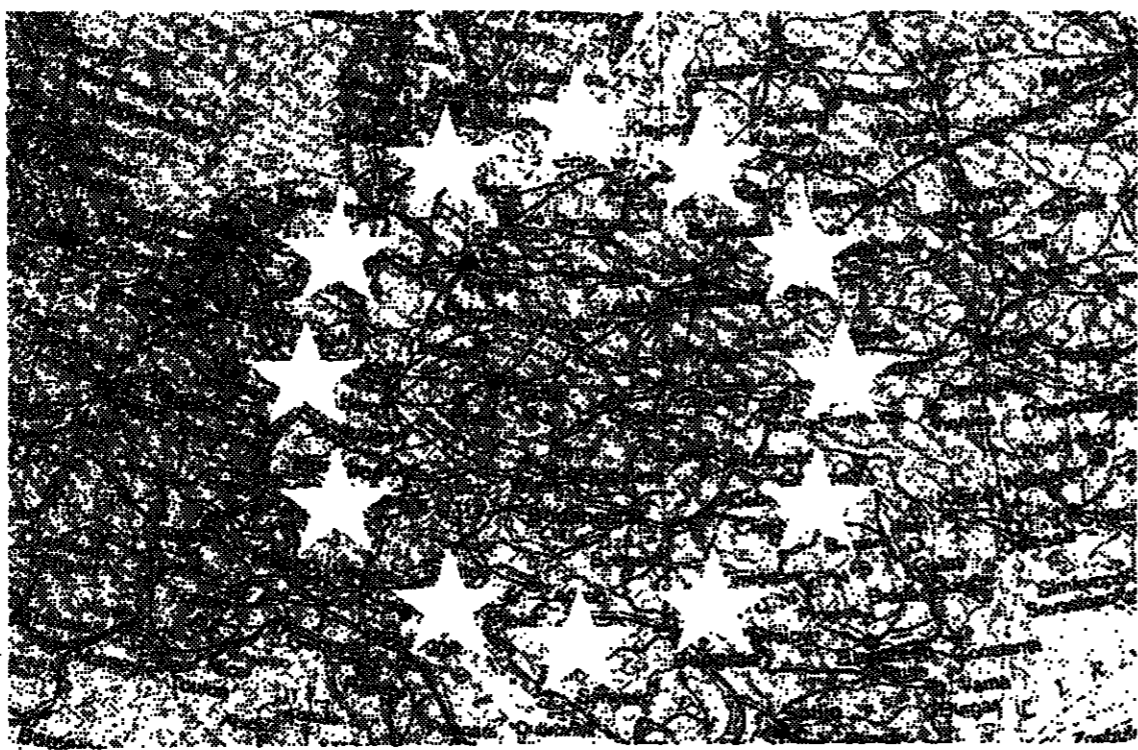
Perot Could Win, Buchanan Says

Reuters

WASHINGTON — Patrick Buchanan, the conservative columnist who challenged President George Bush for the 1992 Republican presidential nomination, said Sunday that Ross Perot could be the man to beat in the presidential race.

Mr. Buchanan said Mr. Perot, who is expected to make his candidacy official in a few weeks, stood a chance of capturing the presidency, "as he can," Mr. Buchanan said on NBC News when asked whether Mr. Perot could win. "What the country is saying is that it does not want a second Bush administration."

At the same time, Edmund G. (Jerry) Brown Jr., who has fought a losing battle for the Democratic nomination, said it looked as if his nomination was headed for defeat if it party nominated Governor Bill Clinton of Arkansas. Referring to the last two unsuccessful Democratic campaigns, Mr. Brown said, "It looks like we're headed down the same path of defeat."



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Herald Tribune

Published With The New York Times and The Washington Post

A Job to Do in Africa

The pot bellies, swollen feet and skeletal emaciation can be seen everywhere in Mozambique. The prospect of slow death by starvation and disease will eventually confront million men, women and children in Angola, Lesotho and seven other severely drought-stricken southern Africa countries...

Rio Can Be Important

The leaders of more than 100 countries are shoring in Rio de Janeiro for an extraordinary Earth Summit, the largest meeting of world leaders ever held. Their agenda includes pages of lofty rhetoric but no important binding commitments. It need not be so.

A Good Way to Help

As U.S. policymakers confront the staggering dimensions of the help needed to build the new states of the former Soviet Union, attention turns to the kinds of small-scale programs that sometimes have crucial long-term effects. The most popular has been educational exchange to show teenagers how democracy actually works.

Other Comment

Not 'Peculiarly Their Own' We know now that Woodrow Wilson's dreams of 75 years ago were destined to be rushed in only a generation in a wave of vengeance, opportunism and greed.

Milosevic Doesn't Have to Get Away With It

By Brian Beedham

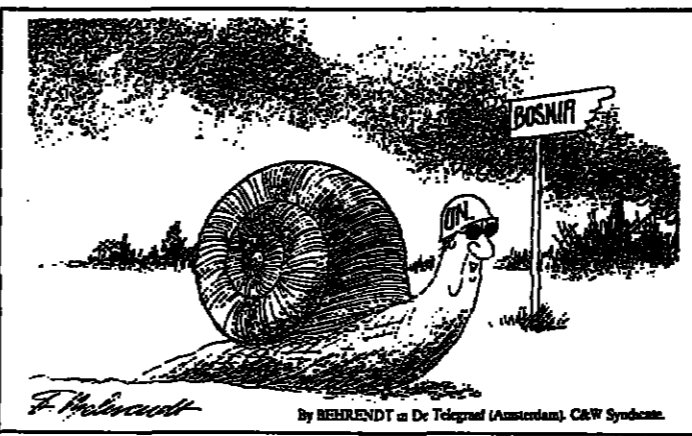
LONDON — "Too late," most people probably muttered on Saturday when they heard that the Security Council had at last told Serbia to stop its pursuit of Greater Serbia. The mutterers may be right. After all, armed Serbs now control much of Bosnia, as well as large parts of Croatia. Serbia's Slobodan Milosevic may decide to call the world's bluff, and the world, having apparently squared its chin, may promptly go all drop-jawed again.

if it is used to cut Serbia off from the external Serbs, it would sharply reduce the needed size of that action. It might still be necessary to bomb the ammunition dumps that the Serbian guerrillas have inherited from the old federal army. There might have to be a commando-cum-airborne operation to get those murderous rocket-launchers off the hills overlooking Sarajevo. Perhaps an airport would have to be occupied, and guarded, both to get in food and medicine and as a base from which anti-tank helicopters could operate.

If Aggression Can Stand, the New Europe Is Over

By William Pfaff

PARIS — There now is significant risk of an internationalized Yugoslav war. The United Nations' sanctions decision comes very late. The failure of the Europeans to halt this crisis may one day be judged the end of Europe.



By BERENDT in Dr. Tolgarn (Amsterdam), CW/Sydney.

Ex-Yugoslavia Isn't America's Business

ONLY the pretensions of the "new world order" can explain why America is contemplating joining a multinational military effort if other measures fail to halt the fighting in the former Yugoslavia, where the United States has never had concrete vital interests.

— Christopher Layne, who teaches international politics at the University of California at Los Angeles, commenting in The New York Times.

Green Growth Via the Marketplace

By Louis C. Boorstin

JAKARTA — As government officials and environmentalists prepare for the Earth Summit that opens in Brazil on Wednesday, delegates from developed countries are running headlong into a major obstacle: the belief in many developing countries that the environmental movement is a thinly veiled effort to slow or even halt their economic development.

species, it is difficult to translate this qualitative assessment into a quantifiable definition of sustainable forestry for a particular country. Far from promoting slower economic growth, such assistance can help combat the misconception that all changes toward a greener economy will be costly. Take the case of the American chemical industry, which for years argued that reducing use of ozone-depleting chlorofluorocarbons would cost billions of dollars.

The People Who Won't Pay the Bill

By Anthony Lewis

WASHINGTON — The U.S. federal budget deficit is now up to \$400 billion a year, and effectively out of control. Practically everyone in Washington says that is a terrible thing, damaging to the economy, unfair to the children, but no one does anything about it. Why? Well, think about the following small story.

In the 1990 budget agreement between Congress and the president, one small item called for Coast Guard "user fees" on recreational boats. The bill that was passed exempted boats up to 18 feet (5.5 meters) long. The owners of larger boats paid fees on a sliding scale up to \$100 a year for the largest.

Boat owners were furious. They did not want to pay for the emergency services provided by the Coast Guard. They complained to their congressmen. Two weeks ago the House voted to repeal the boating fees. The provision was attached to a shipbuilding bill that passed by a vote of 339 to 78.

There, in miniature, is the reason why the budget is so grossly out of balance. The American people want government services but do not want to pay for them.

Indeed, it is more than wanting government benefits. People believe they are entitled to them. When someone tries to put realistic limits on them, they scream.

Here is another example, grotesque in its greed and folly. Twenty-five years ago the government began subsidizing insurance on houses built in dangerous waterfront areas. It did so because private insurance companies were reluctant to issue policies on homes that might be hit by hurricanes or might fall into the sea as the shorefront eroded.

Eventually someone woke up and asked why the rest of the population should buy insurance for Americans who want to put houses in danger zones. Or why the government should be encouraging construction in such fragile areas.

Legislation was introduced that would gradually reduce that federal insurance subsidy over the coming years. It passed the House last year, but then the beach home owners and real estate people woke up and screamed: "You can't do this to us; it's unconstitutional. Whether the bill can pass the Senate is now uncertain.

The larger if less piquant examples are in the programs of benefits that go to people regardless of their need: Social Security, Medicare and the like. They are called entitlement programs, a name that accurately reflects what people feel about them.

A few years ago Congress passed legislation that made wealthier retirees pay more for Medicare benefits. The protest was so loud that the statute was quickly repealed. Even the idea of limiting cost-of-living increases in Social Security benefits arouses so far invincible opposition from the powerful elderly lobby.

The reason the federal government persistently spends more than it has, in short, is that the people want it that way. People think they are constitutionally entitled to a free federal lunch. They demand that political leaders provide the benefits—and then denounce them for not balancing the budget.

If the real source of the budget disaster lies in public desires and illusions, then the only hope of a cure is in leadership that will persuade people to limit their desires and shed their illusions. And there is no sign of that leadership.

Ross Perot gets cheers when he denounces the deficit. "We have got to get the debt under control," he said the other day. "Pay it down and pay it off." The cheers are sincere, I have no doubt, but the question is whether Mr. Perot will tell the truth about the budget and keep them cheering.

The truth is not his empty talk about eliminating the deficit. It is something like this: "We are going to have to tax Social Security payments to the well-to-do, and limit cost-of-living increases. We have to stop federal aid to airports, including my own. We cannot build the space station. There can be no more Seawolf submarines. We have to put a big new tax on gasoline."

Commenting on the Perot phenomenon recently, the Economist said in London that his supporters "seem to believe that the mess present leaders have made... has nothing to do with the self-interested actions of the voters themselves over the past few years."

Shakespeare said it first: "The fault, dear Brutus, is not in our stars, but in ourselves."

— The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Wild West's Loss

LONDON — One of the greatest attractions of the Wild West no longer exists. Ta-ra-ra Boom-de-ay, the fiery untamed steed which formed one of the attractions of the Wild West, is dead. The animal was one of the best buck-jumpers, and while going through its performance on Monday [May 30] afternoon, jumped and bucked to such an extent that it kicked itself heels over head and fell heavily with its rider. The cowboy saved himself by admirable agility, but Ta-ra-ra Boom-de-ay broke his neck and kicked no more.

1917: On Memorial Day

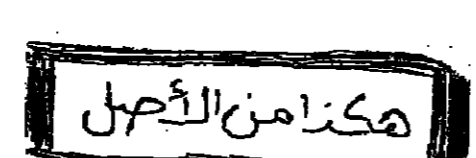
WASHINGTON — Speaking yesterday [May 31] at the Memorial Day ceremony held in the national cemetery, Arlington, Va., President Wilson declared that the time has arrived for the United States to act, and that so far as he was concerned he had no fears regarding the part America will

enact in the world conflict. "The men whose memory we venerate," said the President, "fulfilled their duty toward liberty; we again are confronted by an unaccomplished task. But I am convinced that even as these men of America then answered the appeal of liberty, so today the men of this generation will act likewise."

1942: Attack on Cologne

LONDON — [From our New York edition:] Three-fourths of Cologne was set afire and a great area of the German Rhineland metropolis of 756,000 population was flattened by tremendous weights of explosives dropped by 1,250 Royal Air Force planes Saturday [May 30] night in the greatest raid in all aerial warfare, the British announced today. Reconnaissance aircraft reported that a plume of smoke towering over the ruins wrought by the devastating force of nearly 6,000,000 pounds of bombs still was visible throughout Sunday from the European coast.

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War in Yugoslavia: J.S. and Allies Split On Who Does What

by Thomas L. Friedman

New York Times Service

WASHINGTON — The question of how to deal with the crisis in Yugoslavia has revealed some of the tensions between the United States and its allies in Europe, especially France.

NEWS ANALYSIS

A three-car motorcade if their lives depended on it."

Nonsense, countered a French official. The Americans did nothing for 11 months while the Europeans sent peace missions and even their own peacekeepers to Yugoslavia.

And then suddenly Washington decides "that it needs to lecture on what to do."

What Washington is trying to do is deflect attention from its inaction in the crisis.

The Europeans were the ones who proposed the United Nations

and the 14,000-man peacekeeping force," a French official said. "France has 2,000 men on the ground in Yugoslavia, with six lives on the line. Where are the Americans?"

U.S. officials acknowledge that in the months they did very little in Yugoslavia crisis, even after the foreign minister of Bosnia-Herzegovina made an emotional plea to Secretary of State James A. Baker on April 14.

For months, U.S. officials argued that Yugoslavia was mainly a European affair and that Europe would take the lead—especially in an election year when the Bush administration had no desire for steps that might end with U.S. troops in a quagmire.

"The Europeans were saying every day that they are a force to be reckoned with, that they want to organize themselves so we gave the ball to them, and they dropped it," one official said.

"The decision-making process in the European Community allows only the lowest common denominator to work," the official said. "The truth is, Germany, the Dutch, the British were interested in a more activist approach, and were very close to us, but they were held back by one country—France."

While the Europeans may have "dropped the ball," the Bush administration picked it up only last week, on the eve of Mr. Baker's trip to Lisbon for a conference on aiding Russia.

Several factors prompted the shift, officials said. To begin with, the crisis in Bosnia-Herzegovina seemed to be reaching a new level of carnage and, importantly, was being shown on U.S. television.

That led to widespread editorial criticism of the Bush administration for inaction. This, editors said, seemed inconsistent with the official Bush talk about a New World Order and about the United States being the "leader" of a collective alliance for democratic peace.

The Bush administration has a history of waiting to be pummeled by the press before it takes action in any crisis that might be politically unpopular. That was true when it came to the question of aid to Russia as it struggled to adjust to a free market economy. It was true when it came to dealing with the coup in Haiti and its consequences, and it was true in Yugoslavia.

U.S. officials say they concluded that if Washington did not act, no one else would and history would be a harsh judge.

In part, though, the Bush administration seems to have been

Serbs, Facing Hardships, Insist They Are Prepared

New York Times Service

BELGRADE — Economists and Western diplomats agree that the sanctions imposed by the United Nations Security Council on Saturday will bring shortages and other hardships to the people of Serbia.

But contingency plans made by the leadership and loopholes in the embargo, they say, are likely to enable the economy to function for a long time.

Clearly, the most worrisome of the sanctions is the embargo on oil. Before the UN vote, the government had been hoping for a continued oil flow from Russia, China and Romania, as well as from Yugoslav-owned wells in Angola.

Serbia produces only about 20 percent of its oil needs. But it has made plans in the event of an oil cutoff.

"We must prepare for the worst, and in our case that would be the closing of the oil supply route through Romania," Milan Djakovic, general director of the Serbian oil industry, said in an interview with Borba.

Serbia has leased oil-tanker barges from Czechoslovakia and Ukraine and uses its own and Romanian vessels to bring oil up the Danube from Romanian ports to refineries near Belgrade.

"From week to week we are struggling to secure as much oil and petroleum derivative as we can to lengthen the period we can operate in the event of an oil embargo," Mr. Djakovic said. "We have sufficient oil to keep up normal supplies for more than 15 days, and we are striving to produce even more. Happily, we do not buy oil from the European Community."

In a televised interview, the Serbian president, Slobodan Milosevic, said he believed economic sanctions against Serbia would not last long because too many countries had economic interest in Serbia and its ally, Montenegro.

But the economists and diplomats dismissed the assessment of Serbia's economy offered by Mr. Milosevic. The Serbian economy, they said, is a mess.

Official figures say that as a result of the Yugoslav secessionist strife for the last year, productivity has fallen in Serbia by 25 percent to 40 percent and average wages have shrunk to the equivalent of about \$30 a month.

—CHUCK SUDETTIC

prompted by a wish to prod and upstage the Europeans, particularly the French, after Paris irritated Washington by approving the formation of a German-French military force.

The White House had also been annoyed by President François Mitterrand's statements that the Los Angeles riots were a consequence of the domestic policies of the Bush administration.

Indeed, in the view of many French and European diplomats, the real issue grating on Washing-

ton now is the fact that France and Germany plan to form the 35,000-member French-German corps, the nucleus of a European army that is supposed to complement the North Atlantic Treaty Organization but might one day supersede it.

Some French officials believe the Bush administration almost enjoys embarrassing France and the Europeans on Yugoslavia.

The U.S. purpose, they say, is to discredit any notion that the Europeans could muster a credible military force outside American-led NATO.

SERBS: Thousands March to Assail Milosevic, and Sanctions Take Effect

(Continued from page 1)

Monday at 6 P.M. local time, an official in Sarajevo said.

The cease-fire provides for the evacuation of besieged Yugoslav Army barracks in the city.

Serbian forces continued their bombardments of Sarajevo, which has been blockaded for about two months.

Serb-commanded forces also hit the old and well-known Croatian port city of Dubrovnik, lobbing shells into the walled Old Town. More than 2,300 people have been killed and 700 wounded since the Serbs began their

military campaign to seize about 70 percent of Bosnia-Herzegovina, including many areas with sizable Muslim Slav majorities. The fighting has driven more than 700,000 people from their homes.

The Belgrade demonstrators, many dressed in black, took over central Belgrade streets for about three hours, unfurling a mile-long black banner along the city's main shopping thoroughfare before protesting outside the television station.

The Belgrade demonstration was the largest protest in Serbia since violent protests in March 1991 brought tanks to the capital's streets.

The demonstrators scoffed at the elections, calling them a "show" and a "farce."

Western diplomats said a weak turnout would not necessarily be interpreted as a vote of no confidence in Mr. Milosevic, who rose to power through the Communist Party's apparatus and has deflected criticism and held power by appealing to Serbian nationalism.

Casting his ballot early this morning, President Milosevic criticized the United Nations sanctions, asserting that Serbia is not responsible for the fighting in Bosnia-Herzegovina.

"This is the price we have to pay for supporting Serbs outside Serbia," Mr. Milosevic said.

CAVIAR: The Sturgeon — the Latest Victim of the Soviet Collapse

(Continued from page 1)

on like this, within three or five years sturgeon stocks will be completely depleted."

In the old days, the Kremlin went to great lengths to preserve its monopoly. Quotas for the annual sturgeon catch were established by the Ministry of Fisheries in Moscow. A semi-militarized inspectorate cracked down on poachers and dealers in illegal caviar.

Former Soviet republics bordering the Caspian have been unable so far to agree on new sturgeon-catch quotas proposed by Ivanov's institute. Many scientists fear that, even if an agreement is eventually reached, it may prove impossible to enforce.

The market price of caviar increases geometrically according to the shipping distance. In the Volga estuary, where the river divides into hundreds of streams, fishermen eat caviar for breakfast, lunch and dinner piled on fresh chunks of bread.

In Astrakhan, 60 miles (100 kilometers) upstream, illegally processed caviar sells for around 200 rubles a pound (454 grams) — about \$2 at the market rate of exchange. By the time the caviar reaches Moscow's Central Market,

the price is about \$15 a pound. In New York and Paris, high-quality caviar sells for \$50 an ounce or more.

The price of caviar on world markets is testimony to both its rarity outside Russia and its snob appeal. The harvesting of sturgeon has been a state monopoly in Russia since the reign of Peter the Great in the early 17th century.

Now, uniformed policemen patrol the lower reaches of the Volga in an attempt to prevent unauthorized fishing of sturgeon. But poachers and illegal caviar traders are becoming increasingly brazen. During a two-day trip down the Volga from Astrakhan to observe the official harvest, guides pointed out half a dozen incidents of illegal sturgeon fishing.

A significant proportion of illegally harvested caviar ends up at the Central Market in Moscow, widely believed to be under the control of the Azerbaijani mafia. In May, inspectors raided the market and confiscated 160 pounds of fresh beluga caviar, worth more than \$100,000 in the West.

The raid was hardly worth the effort. The inspectors detained

eight small-time traders, who refused to disclose their supplier. They were fined the maximum 3,300 rubles each, a paltry sum for the mafia. Several days later, an Azerbaijani businessman offered an inspector a bribe of 2 million rubles "for leaving the Central Market alone." On this occasion, the bribe was refused.

"It's practically impossible for us to crack down on a business that is worth millions and millions of rubles," said Andrei Lashenko, a fishery inspector who took part in the raid on the Central Market. "In the old days, we would have immediately gone down to Azerbaijan to investigate. But this is a different country now. We don't even have the right to ask the Azerbaijanis to investigate on our behalf. If we did go down there, there's a good chance that we would be killed by the mafia."

As one of the newly independent states bordering on the Caspian, Azerbaijan is claiming its share of the annual sturgeon harvest. Since the sturgeon no longer swim up Azerbaijan's poisoned and dammed-up rivers, Russia has offered Azerbaijan a portion of its own Volga catch. But there is a

great temptation for Azerbaijani fishermen to catch immature sturgeon in the sea, a practice strongly condemned by conservationists.

Only Russia, Kazakhstan and Iran still have rivers clean and long enough to provide spawning grounds for sturgeon. In other republics, fishing cooperatives and collective farms are simply ignoring the once-rigidly enforced ban on fishing in the open sea.

The size of the clandestine caviar harvest can only be guessed at. Conservationists and fishery inspectors estimate it at 30 to 50 percent of the official catch, which has been carefully calculated to preserve existing sturgeon stocks.

Some of the illegally harvested caviar is already making its way to the West, depressing caviar prices on the world market.

Faced with the prospect of caviar supplies being wiped out, Russian fishery officials are hoping that former Soviet republics will understand that it is in their own interests to take drastic action to conserve the sturgeon. Over the past century, the sturgeon has already disappeared from many of the world's great waterways.

BUSH: Campaign Aide Urges Baker's Return to Head White House Staff

(Continued from page 1)

political doldrums. William J. Bennett, the former director of the office of national drug control policy and an influential conservative, who met with Mr. Baker last week, said Mr. Baker and the White House "clearly now have gotten the message of danger" and are no longer assuming re-election.

Mr. Bennett said the president's basic problem was that "people do not perceive him as the dynamic leader, as offering leadership" on the issues facing the nation, and that he needs to move "to the cutting edge" on framing his solutions to domestic problems and bringing those solutions to the voters.

"From what I understand," he said, "the president is not very happy with the way things are going."

The rumors that Mr. Baker would move over to the White House are similar to the ones that began circulating in the summer of 1988, when Mr. Baker was Treasury secretary. As the Democratic convention opened, Mr. Baker's campaign was being run by a group of seven men and his vice presidential operation by another group.

The two power centers feuded, Mr. Baker slipped in the polls and Republicans around the country began calling for Mr. Baker to run the campaign. He resigned his cabinet post in August.

In a series of recent meetings, Mr. Baker's aides have been trying

to assess why the president at a time of increasingly good economic news and weeks of emphasis on domestic policy is losing ground to Mr. Perot. Mr. Baker has seen little improvement in an approval rating that hovers a little over 40 percent. Nearly 80 percent of the country

continues to believe the nation is heading in the wrong direction, a statistic that Mr. Baker's advisers take more seriously than poll matches.

"Obviously, something is wrong here and our message is not getting out," one senior administration of-

ficial said. "Bush has given 20 percent more domestic speeches this year than last and 40 percent more than Reagan did in this period and people still say we don't have a message. We do have a good message but people just aren't getting it."

CALIFORNIA: Voting Landscape Aklter

(Continued from page 1)

results are certain to have an impact on politics beyond the state.

"In the presidential race, I've never seen such a low enthusiasm level for both major party candidates," Mr. Field said. "If this were a plebiscite and you asked whether people wanted Bush or Clinton to be president, the vote would be 2 to 1 against either of them."

Steve Merksamer, who was former Governor George Deukmejian's top aide and who supports the president, said he had never seen the discontent so great in California. "People are looking for something radically different, which explains in large part the Perot phenomenon we are seeing," he said. "There's no doubt today that he would win California by a sizable margin."

Disillusion, frustration and confusion are words used not only by voters to describe their feelings. They are also words used by old-style operatives trying to adjust to a new politics in which candidates

ignore direct meetings with voters and spend their time on the telephone soliciting money for television commercials.

A Republican consultant, Smart K. Spencer, said a lot of people would be surprised at the the voting booth because "they don't even know who's running," or against whom.

This is confirmed by Mr. Field's surveys. The pollster said voters often say they favor Dianne Feinstein, a former mayor of San Francisco, over Representative Barbara Boxer. The two Democrats are not running against each other.

Mrs. Feinstein is the leading Democratic candidate for a two-year Senate seat vacated by Pete Wilson, a Republican, who defeated her for governor in 1990. Mrs. Boxer is running for the six-year term being vacated by Senator Alan Cranston, a Democrat, and is in a three-way battle for the nomination with Lieutenant Governor Leo McCarthy and Representative Mel Levine of Los Angeles.

Mr. Levine has a liberal record in the House, as does Mrs. Feinstein's opponent, state Comptroller Gray Davis. But voters might never know this from the inflammatory television commercials. They feature denunciations of "mob rule" and "anarchy," and in the case of Mr. Davis, violent scenes in which black youths beat a white truck driver, Reginald Denny.

Mrs. Feinstein and Mrs. Boxer hope to capitalize on what Mr. Field has found is a voter preference for women, who are viewed as more honest than men. In both Republican Senate primaries, women committed to abortion rights could make the difference.

Tuesday's presidential primaries hold little suspense and have generated even less public interest. President George Bush is expected to win handily over Patrick J. Buchanan, while Governor Bill Clinton hopes to defeat former Governor Edmund G. (Jerry) Brown Jr. and lock up the Democratic nomination, which he can do even if he is upset by Mr. Brown.



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Impasse On Arms Accord

U.S. Initiative Stalled by China

By Elaine Sciolino
New York Times Service
WASHINGTON — The world's five largest arms suppliers to the Middle East have failed to reach agreement on how to put into effect a year-old U.S. initiative limiting conventional weapons sales to the region.

After talks on Thursday and Friday, the five countries — the United States, Russia, Britain, France and China — which supply the Middle East with between 85 and 90 percent of its conventional arms, reported no progress. China opposed a proposal to disclose agreements about the sales of weapons before they were delivered.

An American official said the process was "not moving as rapidly as we might like," but praised the fact that the negotiating process existed at all.

According to data compiled by the Central Intelligence Agency, the United States leads the world in arms deliveries to the Middle East, sending \$4.4 billion in weaponry in 1991. Britain delivered \$3.5 billion in arms, the former Soviet Union \$2.5 billion, France \$1.5 billion and China \$300 million.

The only concrete achievement during the round of talks was that China repeated a commitment made to the United States that it would not transfer missiles banned under guidelines of the Missile Technology Control Regime.

Some independent arms-control analysts and members of Congress say the initiative, begun in the aftermath of the Gulf War, has received little attention from President George Bush or his senior aides.

China has accused the West of having a double standard toward arms control, asserting that the United States and its allies do not want to limit their ability to sell aircraft, tanks and other conventional weapons to their friends in the area, and have drawn a distinction between good arms sales and bad.

The United States remains by far the largest exporter, suppliers are competing for a shrinking arms market and China remains intransigent on a number of issues. The Chinese set a low-level delegation to the talks, making any meaningful result unlikely.



DANCING IN JERUSALEM — Men from a settlement in Israel dancing Sunday in the Old City to commemorate a quarter-century since it was wrested from Jordanian troops during the 1967 war. A passing Palestinian seemed dubious of the commotion.

WARMING: On Summit Eve, Uncertain Predictions

(Continued from page 1)
centimeters to 20.3 centimeters) over the same time.

"The size of the warming is broadly consistent with predictions of climate models," the panel said, "but it is also of the same magnitude as natural climate variability."

In other words, the changes measured to date in the environment are no bigger than those the Earth has undergone in recent centuries through entirely natural processes.

"It is not possible at this time," the report read, "to attribute all, or even a large part, of the observed global-mean warming to the enhanced greenhouse effect on the basis of the observational data currently available."

If those measured words represent the consensus of climate experts, what about all the voices calling for drastic action, all those experts so widely publicized in the crescendo leading to the Rio summit meeting, which opens Wednesday?

The fact is that most of them are part of the consensus. They differ not so much on what can be said

scientifically but on what they think society should do in response.

The most visible scientists have tended to be those who express alarm and call for immediate, widespread action in the name of prudence. They are most visible because many are backed by large activist organizations and because their traditionally gives alarm calls prominence. But there are also more circumspect scientists who say the data are still much too uncertain to cause a rush into action, especially expensive action, to curtail greenhouse emissions.

The most prominent climatologist to sound the alarm was James E. Hansen of the National Aeronautics and Space Administration's Goddard Institute for Space Studies. He touched off much of the current concern by announcing in 1988 that "global warming has reached a level such that we can ascribe with a high degree of confidence a cause-and-effect relationship between the greenhouse effect and observed warming. It is already happening now."

One of the alarmists' severest critics is S. Fred Singer, the first director of the U.S. weather satellite program and a well-known

skeptic of doomsday scenarios. Yet Mr. Singer calls the report "an excellent compilation filled with appropriate cautions and qualifications."

And he agrees that global warming is likely to continue but suspects the rate will be "modest."

Richmond News Leader Dead After 104 Years

New York Times Service
RICHMOND, Virginia — The Richmond News Leader, which proclaimed Southern conservatism for 104 years, printed its final issue Saturday with the headline "Never More," an allusion to Edgar Allan Poe, who once made Richmond his home.

The parent company, Media General, announced in September that it would merge The News Leader with its sister paper, The Times-Dispatch, a morning paper with a separate news staff. "It's a grand old name but we could no longer afford the luxury of competing with ourselves," said the publisher, J. Stewart Bryan 3d.

ACROSS

- 1 Mammoth — National Park in 38 Down
- 5 Bow, Barton or Schumann
- 10 Happy
- 14 Arabian sultanate
- 15 Wading bird
- 16 Tops
- 17 Path for Daniel Boone
- 20 Shelter
- 21 Wheels for Nero
- 22 Cleanse in water
- 23 Rational
- 24 Little and Arthur
- 26 Western region of 38 Down bought from Chickasaws
- 33 "... lovely as ... Kilmer
- 34 Emend
- 35 Bunk
- 36 — d'état
- 37 Czar's decree
- 38 Melody

Solution to Puzzle of May 29

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ORR ATTILA OSEE
DAS ESSEX NENE

U.S. and Saudis Find a Way

Old Pact Used Quietly to Widen Military Cooperation

By Don Oberdorfer
Washington Post Service
WASHINGTON — The United States and Saudi Arabia have settled on an obscure 15-year-old military training pact as a legal framework to expand strategic cooperation, according to U.S. and Saudi sources.

Washington wants to broaden the military relationship to permit more extensive exercises and an early positioning of air, naval and possibly land equipment for quick availability in event of need, such as the Gulf War last year.

The use of the 1977 Military Training Mission Treaty as the basis for an expanded relationship represents a fundamental improvement in relations since the United States moved in 1975 with half a million troops after Iraq invaded Kuwait.

Saudi Arabia is important to the United States not only for its strategic location but also as its largest foreign supplier of oil.

"We cooperated together at a time of extraordinary danger for both of us and cooperated successfully," a senior Pentagon official said, referring to the Gulf War. He described the relationship as "transformed."

A Saudi said more colloquially, "You never forget somebody who saves your neck."

ton found itself frustrated in its quest for agreements permitting it to leave tanks, armored vehicles, ammunition and other material in Saudi Arabia.

Robert M. Gates, the director of central intelligence, said in recent testimony to Congress: "If in the next few years it again becomes necessary for the United States to deploy combat power abroad, the strategically vital region encompassing the Middle East and Persian Gulf is at the top of the list of likely locales."

But the Saudis, worried about anti-American sentiment in the Arab world and fundamentalist Islamic groups at home, wanted to put any new security arrangements on a handshake or unspoken understanding.

U.S. officials initially proposed full-scale military agreements such as those that have been recently signed with Kuwait and Bahrain. The decision to use an amended version of the 1977 U.S.-Saudi accord, which covers the stationing of a small number of military advisers there, is expected to open the way to a compromise on how explicit the arrangement should be.

State Department attorneys are said to be making progress in discussions with the Saudis.

A Saudi official said completion was unlikely before the U.S. elections in November because the

Saudi leaders want to know whether they will be dealing with President George Bush or another president.

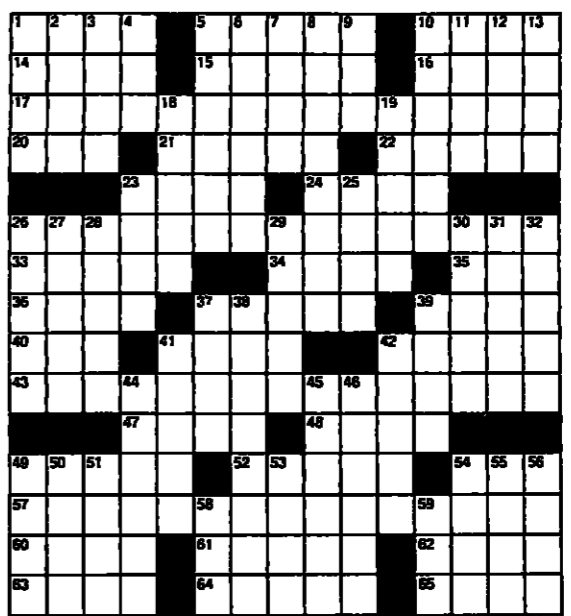
Sources said the Saudis are concerned about any agreements that would suggest a permanent U.S. military base.

Secretary of Defense Dick Cheney has approved a Pentagon plan to store vital support equipment for five to six fighter wings, or roughly 400 planes, in Southwest Asia. Most of this is believed destined for Saudi Arabia.

In the same document, the annually issued Defense Planning Guidance, Mr. Cheney directed the army to set aside 200 of its most modern tanks and 200 Bradley fighting vehicles for eventual storage in the area.


This represents a cutback of about one-third in the original Pentagon plan for on-site positioning of land equipment. However, the planning document indicates that the Saudis have not yet agreed to storage of tanks and personnel carriers.

Because the Gulf seems to be a region where the United States might need to undertake military action, the navy keeps a carrier battle group in the area 183 days a year and may increase this to as many as 270 days, according to the Pentagon guidance.



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- 6 Meager; frugal
- 7 In which 38 Down ranks 37th
- 8 Young flowers
- 9 Reply to a ques.
- 10 Flashy; flamboyant
- 11 Bank transaction
- 12 Tropical cuckoos
- 13 Strike out
- 14 Rub out
- 15 Region
- 16 Straw beehive
- 17 Amerind or canal
- 18 Biblical patriarch
- 19 Expiate
- 20 Vinegar bottle
- 21 Chipper; Dial
- 22 Desi Amaz's autobiography
- 23 Sp. married women
- 24 Ol an ecological succession
- 25 Singer John
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EASTERN & CENTRAL EUROPEAN ENERGY

JUNE 24-26, 1992, VIENNA

<p>JUNE 24</p> <p>09.00 OPENING ADDRESS Dr. Wolfgang Schüssel, Minister of Economic Affairs, Austria</p> <p>09.45 ENERGY DEMAND — ITS CHANGING SIZE & STRUCTURE Dr. Raimund Salzman, Deputy Secretary General, OPEC, Vienna Headend Mingosha, Managing Director, Thyssen Carbonsteel, Düsseldorf G. Quincey Lumsden, Director, Oil Market Developments, IEA, Paris Prof. Alexander Arbatov, Vice Chairman, Committee for Productive Forces and Natural Resources, Academy of Sciences, Moscow</p> <p>11.00 Coffee</p> <p>11.30 ENERGY SUPPLY — SECURITY & ECONOMICS Kambiz Mansifi, Head, Int. Assessments Dept., National Iranian Oil Co., Tehran George Langshaw, Managing Director, Global Gas, British Gas plc, London Prof. Ludu Radulescu, President, Committee of Energy, Bulgaria Victor S. Chermosyrdin, Chairman, Gasprom, Moscow</p> <p>13.00 Lunch</p> <p>14.30 INFRASTRUCTURE — PIPELINES, TRANSPORTATION & STORAGE Valery Chermosyrdin, President, Gazprom, Moscow Alexander Miro Bruc, Advisor to the General Manager, INA Oil, Zagreb Gabriele Capiglieri, President, Ente Nazionale Idroelettrico, Rome</p> <p>15.45 Tea</p> <p>The following special interest presentations will run simultaneously.</p> <p>15.15 INTERNATIONAL FINANCIAL METHODS & SOURCES Raimund B. Fleischer, Senior Director (Energy), Merchant Banking, European Bank for Reconstruction and Development, London A. Robert Illgner, V.P., European Energy Group, Morgan Stanley, London Alan Jones, Partner, Energy and Natural Resources, Morgan Stanley, London John Shikashvili, V.P., Eastern European Group, Morgan Stanley, London David A. Taylor, Head, Energy & Natural Resources, Moscow Narodny Bank, Moscow</p> <p>OIL-RELATED BARTER TRADE Dr. Jozsef Toth, Managing Director, Mineralimport, Budapest Kuznetsov Borovoy, CE, Russian Commodities & Raw Materials Exchange, Moscow</p> <p>Elja Malinovic, Executive Vice President, Noste OY, Helsinki INVESTMENT OPPORTUNITIES IN THE ROMANIAN ENERGY SECTOR Delegation headed by Dan Constantinbesco, Minister of Industry, Romania</p> <p>18.00 Cocktails</p> <p>JUNE 25</p> <p>08.30 UPSTREAM — HAZARDS & ATTRACTIVE OF THE REGION Richard Haines, President, Chevron Overseas Petroleum Inc., San Francisco Gil Lubik, President, Anglo-Suisse LP, Houston Yuri Shesternik, Chairman, Regional Council, Tyumen Vladimir Anutanian, Chairman, Soyuzneftexport, Moscow</p> <p>10.00 KEYNOTE ADDRESS Dr. Slagfried Meyers, Chairman, OMV A.G., Vienna</p> <p>10.30 Coffee</p> <p>11.00 DOWNSTREAM — REFINING & MARKETING Anthony Vignarelli, Head of Central & East Europe Division, Shell International Petroleum Co. Ltd., London Pierre Valléau, Director General, Total S.A., Paris</p> <p>REGISTRATION INFORMATION: The fee for the conference is €795.00. This includes lunches, the cocktail reception and conference documentation. Fees are payable in advance and will be refunded less a €90.00 cancellation charge for any cancellation received in writing on or before June 12, after which time we regret there can be no refund. However, substitutions may be made at any time.</p> <p>CONFERENCE LOCATION: Vienna Penta Hotel, Ungargasse 60, 1050 Vienna, Austria. Tel: (43 222) 711 75. Fax: (43 222) 711 75 30. To reserve accommodation at a preferential rate, please contact the hotel. As the conference is likely to be at the Vienna Festival, hotel reservations are likely to be at a premium. We have accordingly reserved a number of rooms at a variety of hotels which can be booked through: Austria Hotel & Touristik, Johannastrasse 27, 1010 Vienna, Austria. Tel: (43 222) 512 15 58. Fax: (43 222) 512 15 27. Telex: 114769.</p> <p>OFFICIAL AIRLINES: Lufthansa Air and Austrian Airlines.</p>	<p>Dan Constantinbesco, Minister of Industry, Romania Valeri F. Sapronov, President, Rosneftprodukt, Moscow</p> <p>12.15 KEYNOTE ADDRESS Filip Dimitrov, Prime Minister, Bulgaria</p> <p>13.00 Lunch: Hosted by Philbro Energy</p> <p>14.30 ENVIRONMENTAL IMPLICATIONS & CARBON TAXES Dr. Jozsef Vetrovcsak, Minister Chairman, Federal Commission of Environment, CSFR Dr. Yuri Tchebak, Minister of Ecology, Ukraine Dr. Klaus Kasper, Director, RWE Energie AG, Germany</p> <p>15.45 Tea</p> <p>The following special interest presentations will run simultaneously.</p> <p>16.15 PRIVATIZATION & PRICE LIBERALIZATION IN THE ENERGY SECTOR Vladimir Anutanian, Chairman, Soyuzneftexport, Moscow Adrian Staverin, President, Romanian Privatization Agency, Bucharest Vladimir Dilyash, Federal Minister of Economy, CSFR Harshdeep Harrison, Managing Director, Europe Energy Environment Ltd., London</p> <p>ELECTRICITY SUPPLY & DISTRIBUTION Prof. Jan Popczyk, President, Polish Power Grid Co., Warsaw Ian Brown, Senior Advisor, EC Energy Efficiency Office, Budapest Boris Semenov, Deputy Director General, International Atomic Energy Agency, Vienna Victor Valde, Vice President, Renel, Bucharest</p> <p>INVESTMENT OPPORTUNITIES IN THE ALBANIAN ENERGY SECTOR Delegation headed by Dr. Ylli Cakiri, Chief Advisor, Ministry of Foreign Economic Relations, Albania</p> <p>18.45 Evening Reception: Hosted by the Mayor of Vienna</p> <p>JUNE 26</p> <p>08.30 CORPORATE REORGANIZATION & RESTRUCTURING Dr. Jozsef Szabai, President, MOL Rt., Budapest Lev Tchaurlinov, President, Rosneftgas, Moscow</p> <p>09.55 KEYNOTE ADDRESS Kadyr K. Balasov, Deputy Prime Minister, Kazakh Republic</p> <p>10.30 Coffee</p> <p>10.55 FINANCE & INVESTMENT Dr. Hannes Androsch, Chairman, Androsch International, Vienna Prof. Gyorgy Matyashko, Chairman, RSFSR Central Bank, Moscow Dr. Helmut Klens, First Deputy Governor, Austrian National Bank, Vienna Herman Mulder, Senior Vice President, ABN AMRO Bank, Amsterdam</p> <p>12.25 KEYNOTE ADDRESS Edward Grushchewko, Deputy Minister of Fuel & Energy, Russia</p> <p>13.00 POLITICAL, LEGAL & JURISDICTIONAL DISPUTES Pálcsa Alfred von Lichtscheitels, President, Akademie für Zukunftsfragen, Vienna</p> <p>18.25 Close of Conference</p> <p>18.30 Informal Luncheon * Subject to confirmation</p> <p>REGISTRATION FORM: To register for the conference, please complete the form below and send it to: Brands Hagerty, International Herald Tribune, 63 Long Acre, London WC2, England. Tel: (44 71) 636 4302. Fax: (44 71) 636 0717.</p> <p><input type="checkbox"/> Enclosed is a check for €795.00 made payable to the International Herald Tribune <input type="checkbox"/> Please Invoice</p> <p>Title (Dr. Mr. Mrs. Ms. Miss) _____ First Name _____ Family Name _____ 1-6-92 Position _____ Company _____ Address _____ City _____ Country _____ Telephone _____ Fax _____</p>
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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. May 29

Canadian Dollars

Table of Canadian Dollar bond prices with columns for Issuer, Con, Mat Price, Yld, and Sd. Includes entries for Abn Amro, Amec, and various Canadian government bonds.

Governments/Supranationals

Table of Government and Supranational bond prices with columns for Issuer, Con, Mat Price, Yld, and Sd. Includes entries for Austria, Belgium, and the World Bank.

Table of Corporate bond prices with columns for Issuer, Con, Mat Price, Yld, and Sd. Includes entries for Abn Amro, Amec, and various international corporations.

ECU Straights

Table of ECU Straights bond prices with columns for Issuer, Con, Mat Price, Yld, and Sd. Includes entries for Abn Amro, Amec, and various international corporations.

Table of Corporate bond prices with columns for Issuer, Con, Mat Price, Yld, and Sd. Includes entries for Abn Amro, Amec, and various international corporations.

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NEW YORK (AP)

Financial news text starting with 'NEW YORK (AP)'. Includes market updates, interest rate changes, and economic indicators.

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Advertisement for 'CAPITAL MARKET' and 'CURRENCY RATE' with various financial data and promotional text.

CAPITAL MARKETS

Suddenly, Heebie-Jeebies Over Dollar Grip Market

By Carl Gewirtz
International Herald Tribune

PARIS — The foreign exchange market went manic-depressive last week, ending on the downbeat. Analysts forecast further declines for the dollar because of a major shift in sentiment about the outlook for the U.S. economy and renewed worries that the huge gap between short-term dollar interest rates and Deutsche mark rates may yet widen.

The depression came out of the blue and although it cost them dearly, foreign exchange traders were impressed by the effectiveness of the Bank of Japan's assault on the dollar early Friday. The end of the month is always the market's least liquid period and last week that was even more the case than usual because senior traders were in Australia at the annual Forex convention. That meant trading desks were staffed by dealers who were least likely to put up resistance.

A surprisingly large drop in M-2 money supply undermined confidence in the currency.

In addition, the market was "long" on the dollar. Earlier in the week there had been a rush to buy the currency after a report that Saudi Arabia had shifted position to favor an increase in the price of oil. The dollar hit a midweek high of 1.6390 DM and 136.30 yen and the surge against the mark was widely read as a signal that the dollar was headed for its long-awaited revival.

Doubts surfaced later in the week about whether the Saudis were intent on pushing up the price or only trying to send a message opposing the proposed European Community energy tax. But what really undermined confidence that the dollar was about to speed ahead was the surprisingly large drop in the M-2 measure of the U.S. money supply, which awakened concern that the Federal Reserve might again cut the cost of overnight money.

Thus, when the Bank of Japan started selling dollars early Friday in Tokyo the market was already jittery about having been too optimistic and in no mood to put up a fight. The speed with which the dollar fell rattled even professional traders.

Simon Crane, a London-based adviser to technical analysts, said the retreat was "a significant failure" for the dollar that confirmed it remains in a downward trend.

THE DOLLAR ended the week at 1.6080 DM and 127.60 yen. Talk in Tokyo was that it would now move down to around 123 yen. European traders were talking about 1.54 DM.

"The market is tired of trying to drive up the dollar," said Julian Symmons, Citibank's head trader in London. He does not expect it to move up again until the market has clear evidence that the Fed has finished easing or that Germany is ready to ease.

Whereas the week began with sentiment strongly anticipating an imminent narrowing of the nearly six-point gap between short-term U.S. and German interest rates, the week ended with traders again questioning whether it might widen.

The slow growth in the U.S. money supply was only part of the problem. On Friday, the Commerce Department reported a revised first-quarter estimate of 2.4 percent growth in gross domestic product. That was lower than optimists had been projecting, and the data showed no real decline in inventories — not a good omen for growth in this quarter. A further dampener was contained in the Chicago purchasing managers' index, whose employment component dropped more than 6 points to 46.11 from 52.78 percent.

Bundesbank officials also made clear last week that despite the recent modest slowdown in money supply growth to an annual 8.8 percent, there would be no reduction in interest rates until inflation abates and money growth returns to the targeted range of 2.5 to 3.5 percent.

The Japanese attack on the dollar appeared aimed at deflecting foreign criticism that Japan is running an unduly large trade surplus. A weak yen against the dollar tends to aggravate that trend by making Japanese exports cheaper.

But Giles Keating, London-based economist of Credit Suisse First Boston, noted that the move also would help Japan's banks meet their capital adequacy ratios by lowering the yen value of their dollar assets.

Analysts are agreed the higher value of the yen also opens the way for the Bank of Japan to further spur growth prospects by lowering interest rates.

Brandon Brown, London-based economist at Mitsubishi International Finance, expects a Japanese interest-rate cut combined with a supplemental budget to boost spending to be announced around the time of the Group of Seven summit meeting early in July.

The spending program will keep long-term interest rates up and that, along with the enhanced growth prospects, will prevent

See DOLLAR, Page 13

Australia Weighs Merger of 2 Airlines

Reuters

SYDNEY — The Australian government is considering merging Qantas Airways, the flag carrier, with the domestic operator Australian Airlines as part of its shake-up of the aviation industry, Prime Minister Paul Keating said on Sunday.

He said that about 70 percent of the merged airline could be sold to local and international investors.

"What we are contemplating is the building of an international competitive aviation market in Australia so that the interface between international aviation and domestic aviation is not the broken one it is now," Mr. Keating said on television. "One of the options we are looking at is the merging of Qantas and Australian Airlines."

He said the restructuring of the market would mean domestic airlines would be given a chance to fly internationally. "And that will mean building two, at least two, international carriers," he said.

Australia's other major domestic airline is Ansett Airlines, owned equally by Rupert Murdoch's News Corp. and the international transport group TNT Ltd.

The government has already announced plans to sell 49 percent of Qantas and 100 percent of Australian Airlines to raise about 3 billion Australian dollars (\$2.27 billion).

"If we roll the two into a merged entity," he said, "one of the options for us is to sell the value of 100 percent of Australian and 49 percent of Qantas in the merged entity, which would probably run out to about 70 percent."

Mr. Keating said it was possible an international airline could take a management role in the new carrier.

Asked whether the government would consider selling all of Qantas, Mr. Keating replied: "That is again an option." But he said sale of all of the airline would require approval by the governing Labor Party.

Qantas and Australian Airlines have expressed interest in buying each other. Singapore Airlines has said it is interested in taking a stake in Qantas. Industry sources have said other prospective buyers for Qantas and Australian include British Airways and Air New Zealand.

GPA Seeks Clear Takeoff for Stock Sale

By Steven Prokesh
New York Times Service

LONDON — Tony Ryan, the founder and chairman of GPA Group PLC, the aircraft-leasing giant, seemed unusually subdued the other day for a man whose company, after a year's delay, was about to go public, thereby confirming his status as one of the richest men in Ireland.

If the public offering in the United States, Europe and Japan goes as planned, investors will pay \$10 to \$12.50 each for 80 million new and existing GPA shares.

Some analysts, though, warn that the worldwide travel slump could hurt GPA's ability to raise the hoped-for \$658 million in the sale. And that could jeopardize its ability to pay for one of the world's largest orders for new jetliners and turboprop planes — one that would more than double the 420-plane fleet it now owns or manages and would consolidate its position as one of the leading plane lessors.

If GPA is not a household name, this Irish company is well-known to the more than 100 airlines to which it leases planes. Smaller airlines or carriers in developing regions dominate GPA's customer list, but it also includes big carriers like American Airlines, Delta, Swissair, Air France and Iberia.

With airlines unable to pay for the huge number of planes they believe they will need over the next 20 years, they are expected to turn increasingly to companies like GPA.

Carriers have already found that leasing enables them to obtain planes they otherwise might not be able to afford. It also increases their flexibility to adjust their fleets to the changing demands of their markets. With its large purchases, GPA can write 20 percent to 25 percent discounts from manufacturers, and it passes part of the savings on to airlines.

By aggressively seeking out airline customers and by employing innovative financing techniques, GPA has become the world's biggest operating lessor of planes built after 1985. It already holds an estimated one-third of the market.

Its only significant rival in operating leases, those in which the lessor retains ownership of the plane, is the Los Angeles-based International Lease Finance Corp., with 162 planes. GPA accounts for 48 percent of the orders and options placed by operating lessors, twice the share of International Lease.

As of March 31, GPA and its joint venture with aerospace companies had placed firm orders with manufacturers for 308 planes to be delivered through the year 2000. The orders, totaling \$11.9 billion, represent about 10 percent of manufacturers' backlog of firm orders. GPA has options to buy 220 more planes for \$9.1 billion.

The stock offering is essential if GPA is to raise the more than \$7 billion it needs to pay for planes scheduled for delivery in the next three years. GPA has \$2.5 billion in unused credit lines from banks. Its debt already totals \$4.16 billion, or 3.4 times shareholders' equity, and GPA cannot allow its debt to rise by more than \$1.07 billion on a sustained basis without breaching debt covenants.

Reflecting the pressing need for the stock sale, Moody's Investors Service Inc. has placed \$1.8 billion of GPA debt securities under review for a possible rating downgrade. "The outcome of the share offering will influence our decision, but we also wanted to take another look at the long-term fundamentals of the air travel industry," said Charles P. Mancuso, an analyst at Moody's.

Another reason for GPA's offering is that two of its biggest shareholders, Aer Lingus and Air Canada, need money to modernize their own fleets. The shareholders planning to sell part of their stakes — the two airlines and some financial institutions — stand to make up to \$285 million. GPA's other large shareholders include Mitsubishi Trust & Banking Ltd., Prudential Insurance Co., Long Term Credit Bank of Japan, Irish Life Assurance and Citicorp.

Mr. Ryan is not selling any of his 18.7 million GPA shares, which could be worth as much as \$234 million. So why isn't he jubilant? "I have a heavy cold," Mr. Ryan, 56, said during a recent lunch with reporters at GPA's headquarters near Shannon Airport.

There are other reasons that Mr. Ryan See GPA, Page 13

Economy Picks Up In Britain

Gain Is Reported In Manufacturing

Reuters

LONDON — Britain's economy is poised to recover after nearly two years of decline, according to two reports for publication Monday.

A report by Cambridge Econometrics, a private forecaster, said the economy would resume expanding in 1992 thanks to export growth and a sturdier housing market.

The latest monthly survey by the Institute of Purchasing and Supply also suggested economic recovery. While the Purchasing Managers' Index fell slightly in May to 53 percent from 55.1 percent in April, it stayed above the 50 percent level that indicates the economy is expanding.

"The survey suggests that significant economic growth is under way in the manufacturing economy," said Jim McCall, marketing services manager at the institute.

Britain's industrial economy has suffered seven quarters of decline as a long period of high interest rates designed to tame inflation hit industry hard and sent consumer confidence plummeting. But interest rates are now falling and the economy is slowly beginning to respond.

Cambridge Econometrics expects a gradual recovery this year to accelerate. "For the whole economy, a slow recovery is expected in 1992, but year-on-year growth is expected to accelerate to 3 percent in 1993 and to be sustained at or above that rate for 1994," it said.

The report is in line with the British Treasury's economic projections, which foresee the economy expanding 1 percent this year and by over 3 percent in subsequent years.

Economists at the Cambridge group believe the sharp falls in mortgage rates over the past year have increased disposable incomes.

"The potential for recovery in the housing market is now more firmly based than it has been for the past three years. The ability to purchase houses has returned to the pre-boom levels of 1988 and will continue to improve," the report said.

U.S. Fare Cuts Threaten Airline Profits

By Agis Salpukas
New York Times Service

NEW YORK — When Robert L. Crandall, the determined chairman of American Airlines, jolted the struggling industry with a new fare structure seven weeks ago, he sought to discipline the industry and the business traveler by curbing the use of discount fares and other loopholes.

Nevertheless, part of his fare structure was undermined within weeks by carriers desperate for traffic.

But Mr. Crandall does not back off easily. This week, in response to a two-for-one fare plan by Northwest Airlines, he jolted the industry again by cutting the lowest fares in half, in a gamble to raise traffic and to send another warning of his determination.

American also cut back the advance purchase requirement to 7 days from 14. The rest of the industry quickly followed.

Although the move was bold and may have the desired effect of keeping American's fare structure intact, it is full of uncertainties. Airline stocks were hammered after the announcement, reflecting investors' fears that airlines would lose money by selling tickets at fire-sale prices.

Philip Davidoff, president of the American Society of Travel Agents, said that over the long term, passengers would be hurt.

"Given the tremendous losses suffered by the airline industry over the past year, including the Chapter 11 status of several carriers, this promotion will be extremely costly to the industry," he said. "It could easily push weaker airlines over the edge at great cost to consumers."

Weaker carriers like Trans World Airlines, Continental Air-

lines and America West saw their revenue dwindle when American slashed the full-coach fare on April 9. If they are now pushed to

North Atlantic pricing structure," because with so many domestic bargains, travelers may decide to take a vacation in the United States.

On the positive side, Mr. Crandall's move could cow the other big carriers into not running their own special promotions, as Northwest did.

American's new structure was already forcing more business travelers to fly at full-coach fare, which would lead to greater profits. But Mr. Davidoff said that because of the new price war, "the prospect for any third-quarter earnings have vanished."

He added that it was doubtful whether the lower fares would lead to a big surge in bookings in the long run.

A big problem for the industry is that while the fares are bringing new bookings, thousands of travelers who held tickets at higher fares were turning in their tickets Thursday to get the lower fares. Thus, the industry is stealing from its future potential revenue.

The current domestic price war could very well tear down the North Atlantic pricing structure.

Julius Maldutis, analyst at Salomon Brothers.

Brussels Notebook

Only a Happy Few Enjoy EC's Export Largesse

Charles Goldsmith

The latest investigation of European Community farm payments by the EC Court of Auditors contains some idea of just how few companies actually receive the Community's generous "export refunds."

By focusing on refunds received by individual companies, and connecting subsidiaries to their parents, the auditors found that a handful of large concerns get most of the EC largesse. Past audits had instead looked at subsidies from the disbursement end.

The major beneficiaries are not necessarily the producers of food, but the multinational traders, and not necessarily EC companies," said John Tomlinson, a member of the Budget Committee of the European Parliament.

Officials declined to identify the big recipients, but experts say the top companies exporting EC agricultural goods include Swiss-based Nestlé SA, U.S.-based Cargill Inc. and Italy's Ferruzzi Finanziaria SPA.

A Brussels source said that about 10 percent of the companies that receive EC export refunds get 80 to 90 percent of the bounty.

The controversial refunds, paid to companies that export the EC's surplus agricultural production, represent the difference between world market prices and the much higher subsidized prices paid to Community farmers.

Adien Phone Monopolies? Insiders expect the EC Commission to soon propose a sweeping overhaul in voice telephone services in a bid to end the cozy monopolies enjoyed by national phone companies.

The Commission excluded voice telephony from 1990 legislation that liberalized most

other telephone services, but Sir Leon Brittan, the competition commissioner, says the EC "should now reassess this position."

The Commission is expected to unveil its new plan before the summer break, and the blueprint will likely reserve only a small part of the market as the exclusive domain of the national phone companies.

Counting Jobless Germans EC statistical wizards have begun including the eastern part of Germany in economic forecast charts for the first time, which pushed next year's unemployment prediction above 10 percent.

The Community-wide jobless rate is expected to total 10.5 percent in 1993 if territory of Eastern Germany is included, while the figure would be 9.7 percent excluding Germany's five easternmost states.

An End to Parcel Bombs In Brussels, a white postcard asking the recipient to visit Rue Picard is about the least prestigious invitation imaginable.

"It was there for hours one time, waiting in line at one building after another before I finally got my package," a 12-year Brussels resident said of the massive complex, where parcels mailed from outside Belgium are held for customs checks.

But come Jan. 1, visits to Rue Picard or its cousins throughout the Community will become increasingly rare due to completion of the EC's internal market. Tax frontiers between member states will disappear, and tax-related customs checks will therefore be elim-

inated for shipments within the Community. The changes, say EC officials, will greatly complicate gift-giving and also make it far easier for people to change their residence from one EC country to another.

"It will be a big thing for people separated from loved ones who receive lots of items in the mail," said a top aide to Christiane Scrivener, the EC taxation commissioner.

Currently, goods sent through the mail for personal use valued at less than 110 Euro (approximately \$138.60) are, in theory, supposed to be able to circulate freely in the Community. The tax-free ceiling is 600 Euro for items carried across borders. In practice, however, national customs officials frequently open packages to check the contents before a parcel is delivered, or hold the package at Rue Picard-type depots so it can be opened in the presence of the recipient.

If goods sent through the mail are valued at more than 110 Euro, customs officials now require that the recipient pay the difference between the value-added tax in the countries of origin and destination. Items shipped from Britain to Belgium are therefore subject to an additional 2 percent tax, because the respective VAT rates are 17.5 percent and 19.5 percent.

As of Jan. 1, items will be taxed only at their point of sale, and there are no limits on the value of goods that can be taken from one EC country to another, so no customs declarations are required.

Goods imported from non-EC countries will remain subject to rules on customs declarations and are liable for VAT at importation after Jan. 1.

China Weighs Opening Its Consumer Market

Compiled by Our Staff From Dispatches

BEIJING — China is considering a major reform to open up its huge consumer market to foreign companies, an official newspaper reported Sunday.

"The time is ripe for the government to open up its domestic market for the products of joint-venture and foreign enterprises," the China Daily quoted Tong Yi Zhong, deputy director of the foreign investment division of the Ministry of Foreign Economic Relations and Trade, as saying.

The call for deregulation came at a symposium attended by officials from 21 provinces and municipalities, the newspaper said, adding that a report calling for the change was sent to the State Council.

Such a change would mark a major shift in China's treatment of foreign businesses. China generally has encouraged foreign investment as a way to gain access to updated technology, while tightly restricting foreign ventures to prevent them from taking business away from Chinese companies.

Analysts said Mr. Tong's comments were part of China's efforts to avoid U.S. economic sanctions and to aid Beijing's application to join the General Agreement on Tariffs and Trade.

The United States has set a deadline of Oct. 10 for China to open its

markets to more imported goods or face punitive sanctions that could cost the country billions of dollars.

"Foreign investors come here to make money, and the biggest attraction condition here is the market potential," Mr. Tong said. "We must open our domestic markets and prepare preferential policies for foreign investors to make more money."

Mr. Tong said the regulations and restrictions on foreign businesses should be eased, with the goal of treating foreign companies in the same way as the heavily protected state-owned industries.

China's current foreign investment policy is centered on export processing with cheap labor, which brings in hard currency, and high-technology transfers.

The policy also protects China's state industries from competition with higher-quality foreign products. At least a third of the state enterprises are losing money.

Mr. Tong said the reform would allow freer access to the world's largest consumer market of 1.15 billion people.

It would also simplify procedures for approving joint ventures, the newspaper said without elaborating. The newspaper did not say when the State Council, or cabinet, was expected to make a decision on the proposal. (Reuters, AFP, AP)

In the Amazon, Two Ideas Contend for the Jungle's Future

By Julia Preston
Washington Post Service

JARI, Brazil — In this northeast corner of the Amazon River basin, in a region of swirling rivers and flooded forests, two opposing groups say they have what delegates to this week's UN Earth Summit are seeking — the key to "sustainable development."

Each contends that its way of using the natural bounty of the Amazon, the world's largest rain forest, is the right one, a model for tropical forests everywhere. Each claims the other is dead wrong.

Sustainable development is defined as economic progress achieved with respect for natural resources. In the tale of the two Jari, both sides have in fact made gains toward using the Amazon's delicate ecology without ravaging it, but, so far, neither approach has worked as an economic model. Jari shows how elusive the goals of the United Nations conference, which begins June 3 in Rio de Janeiro, remain in the Amazon.

On one side is the Companhia do Jari, a Brazilian company that produces \$165 million a year in paper pulp from trees cultivated on 247,000 acres (99,500 hectares) of plantations straddling the Jari River. The Jari Project, as it is known, is

an experiment in industrial capitalism in the far reaches of the jungle. On the other side are some of the political offspring of Francisco (Chico) Mendes, the rubber tapper turned environmental militant whose 1988 assassination focused world attention on Amazon deforestation. They are settlers who live in the shaded forest by harvesting products such as latex rubber, Brazil nuts and the oils and hearts of palms. In Brazil, they are known as "extractivists" because they do not plant these products, but only collect what is there naturally.

About 2,500 of these families live in a 1.1 million-acre area in Jari that was declared an "extractive reserve" in 1990 by the Brazilian government, in response to pressures from Mr. Mendes's grass-roots movement. By the laws governing such reserves, the native forest can't be cleared to plant commercial tree crops, as the Jari Project has done, or felled by outside commercial loggers or ranchers.

Nearly three-quarters of the land used to make up the new Mendes reserve is being expropriated from the Jari Project.

Jari Project managers argue the reserve will only promote what they call "sustained underdevelopment." "There's nothing to extract there. It's a subhuman way to live,"

said Nelson Lubi, a manager of the Jari Project's pulp operation. He argued that the lands taken over for the reserve are poor in rubber trees and would be more productive if Jari could develop them as tree plantations and wetland livestock pastures.

Pedro Ramos, a leader of the National Council of Rubber Tappers, a union founded by Chico Mendes, vehemently accused the Jari Project of haphazardly razing rich natural forest and of failing to aid forest dwellers inside its property.

There are truths and misperceptions, gains and limitations on both sides.

The Jari Project began in 1967 as a visionary gamble by an American shipping magnate and billionaire named Daniel K. Ludwig. He purchased a piece of the Amazon bigger than Connecticut and Rhode Island combined. He bought a \$300 million Japanese paper pulp factory the size of a city block and shipped it on barges to Jari. He cleared thousands of acres of forest to make plantations without knowing fully what was on land.

In 1982, after Mr. Ludwig had invested more than \$1 billion, the project was overwhelmed by financial losses. He sold it to a group of Brazilian companies.

fungi. Instead, the new owners planted hardy and fast-growing eucalyptus and pines.

As part of the Jari Project's new efforts to care for its surroundings, homogenous tree plantations are

See AMAZON, Page 13

CURRENCY RATES

Table with columns for City, Bid, Ask, and other rates. Includes Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and 1990 rates.

Other Dollar Values

Table with columns for Currency, Par \$, and other values. Includes Argentine peso, Australian dollar, Canadian dollar, Hong Kong dollar, Indian rupee, Israeli sheqel, Japanese yen, South African rand, Swiss franc, U.S. dollar, and West German mark.

Forward Rates

Table with columns for Currency, 30-day, 60-day, 90-day, and other forward rates. Includes British sterling, Deutsche mark, and Swiss franc.

Last Week's Markets

Table with columns for Stock Indexes and Money Rates. Includes DJ Industrials, DJ Utilities, DJ Transp., S & P 500, NYSE, FTSE 100, Nikkei 225, DAX, Hang Seng, and MSCI.

SAVE & PROSPER BALANCED FUND SICAV

(In Liquidation) 45, rue des Scilles, L-2529 Howald Luxembourg B 22 823

Notice is hereby given that an extraordinary general meeting of shareholders shall be held at the registered office, 45, rue des Scilles, L-2529 Howald, Luxembourg, on 24th June 1992, at 3:00 p.m., for the purpose of considering the following agenda: 1. to consider the report of the auditor 2. to close the liquidation. Shareholders are advised that no quorum is required for the holding of this meeting and the decision will be passed by a simple majority of the shares present and voting. In order to be valid proxies duly executed by shareholders should be mailed to the registered office so as to be received the business day preceding the meeting at 5:00 p.m. at the latest. The Liquidators

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, May 29.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various OTC stocks like AEW, AIG, ALC, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Altra, Altrn, Altrv, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Amco, Amcof, Amcoi, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Amst, Amstf, Amsti, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Anad, Anadf, Anadi, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Anar, Anarf, Anari, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Anas, Anasf, Anasi, etc.

Table with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Anax, Anaxf, Anaxi, etc.

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Investment fund under Luxembourg law for high-yielding bonds in European currencies. Security registration code: Cat. A 595.036

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CS Euro Blue Chips Management Company, Luxembourg

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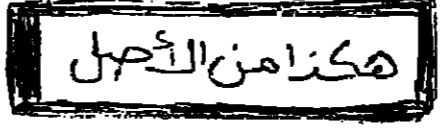
Large table of stock market data with columns: Sales in 100s, High, Low, Close, Net Chg. Lists various stocks like Amco, Amcof, Amcoi, etc.

DOLLAR: More

GPA: Will Travel

AMAZON: The

مكتبة الأصيل



New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price, Price end week, Terms. Includes Floating Rate Notes and Fixed-Coupons.

DOLLAR: Money Supply Gives Traders the Willies

(Continued from first finance page) The yen from falling as short-term interest rates are reduced, Mr. Brown predicted. Meanwhile, the prospect of a weak dollar may be good news for the international bond market.

GPA: Will Travel Slump Hit Plane Lessor's Stock Sale?

(Continued from first finance page) Weakened by the slump, many airlines have postponed or canceled the deliveries of ordered planes, analysts said. Although air travel is now recovering, a surplus of planes continues.

AMAZON: The Struggle Between Alternative Models for the Rain Forest

(Continued from first finance page) and millions of dollars in losses to make it work, the sort of resources that anyone wanting to start a similar enterprise will not easily find in today's tight global economy.

Corporate Profit Rise Spurs Hopes for More

By Floyd Norris
NEW YORK — Will profits catch up with the stock market? That was the hope raised last week when the U.S. government reported that after-tax corporate profits had leapt 8 percent in the first quarter.

CBS Looks to Its Affiliates for Cash

By Bill Carter
NEW YORK — CBS has announced a plan that would radically alter the way the television network deals with its affiliate stations, by charging the stations fees to carry certain programs.

Central Bank Prescribes A Strict Diet for Italy

Rome — Italy needs an 18-month shock treatment of spending cuts and tax increases to cure a huge public-sector deficit and get into shape for a united Europe, the central bank governor said.

Data Push Treasuries Higher Signs of Modest Growth Ease Inflation Fears

NEW YORK — Most Treasury securities ended slightly higher last week, aided by data indicating that the nascent U.S. economic rebound would be neither explosive nor inflationary.

Milken Testimony Expected This Week

NEW YORK — Michael R. Milken, the imprisoned former junk bond king, will try to get his 10-year sentence cut by testifying against a former colleague this week, his lawyers have said.

The news touched off a rally in crude oil prices, drove bonds sharply lower and put the energy market in the spotlight for the first time since the Gulf War. But by the end of the week, investors reconsidered their reactions to news on oil prices.

U.S. Hits Republics With Uranium Duty

WASHINGTON — A half-dozen newly independent republics from the old Soviet Union, still floundering in their way toward free markets and fast food, have received a bracing lesson in American capitalism.

Hanson Is Said To Look at Canary Wharf

LONDON — Hanson PLC was reported on Sunday to be interested in helping to rescue London's Canary Wharf. The Sunday Telegraph said the conglomerate had emerged as a potential savior for the £3 billion (\$5.4 billion) project.

MUTUAL FUNDS

Table with columns: Fund Name, Bid, Ask, and various performance metrics.

NATIONAL TANKER CO., (PVT) LTD ACQUISITION OF UP TO 7 YEARS OLD CRUDE OIL TANKER. Includes details on tanker specifications and contact information for administrative and regional representatives.

From Pretoria, Plowshares

South African Arms Industry Shifts Gears

JOHANNESBURG — Explosions detonated by weapons experts shake a quiet corner of the South African countryside. But profit, not military power, is the goal of the Swartklop explosives company's "Boulder Buster," a rock-breaking device being tested for sale to construction companies. The arms industry, adjusting to a post-apartheid era, is wearing itself off a shrinking domestic market and deploying armies of scientists to convert to civilian production. To ease the change, the state's Armaments Corp. of South Africa, known as Armscor, spun off its manufacturing base in April into a new profit-driven company, Denel Ltd., while retaining the job of weapons procurement. Denel, also state-owned, accounts for 1 percent of gross national product. It aims to derive 70 percent of revenue from civilian goods by 1997, up from 15 percent now.

"We are moving into a much colder world," said Denel's chairman, John Maree. "We have to make ourselves less reliant on a captive market" for military goods. Armscor was founded to ensure arms supplies to the military when the United Nations imposed an embargo on trade in arms and nuclear weapons technology in 1977. At its height the arms industry employed 120,000 people to support an army fighting in Angola and Namibia. Denel today employs just 15,000. The group makes 70 percent of South African finished military products including missiles, artillery, tanks, helicopters, ammunition, computers, aviation support systems and chemical, engineering and electronic products. The government's military budget has been cut by 27 percent in real terms over the past three years. A promotional film produced by

Denel shows its 25 companies — Swartklop is one — busy converting to civilian production. Swartklop and the LIW engineering company — maker of world class G-6 artillery — have developed a "kilo gun" that blasts slag from kilns. The companies say the device saves money as the kiln does not have to be cooled before cleaning. The chemical company Somchem is developing the nitrocellulose it uses in military propellants as a base for paints, lacquers and inks and for explosive accessories in the mining industry. Somchem also has developed a commercial device to allow parents to monitor the breathing of young babies. Trevor Gibbon, Denel executive director for aerospace, said the company would aim to enter the business of upgrading and servicing civilian aircraft, and that his division was looking at possibly putting commercial satellites in space.

WORLD STOCKS IN REVIEW

Amsterdam

The stock exchange posted moderate gains in the holiday-shortened week, with the CBS all-share index gaining 2.70 points to close at 215.10 on Friday. That was slightly below the all-time high of 215.50 hit on Wednesday.

Volume was 7.2 billion guilders, with 2.5 billion in equities, down from 9.6 billion guilders the previous week, with 3.1 billion in equities.

Frankfurt

The market underwent a week of consolidation at a high level. The DAX spot trend index gained a mere 0.26 points to close at 1,803.22 points on Friday. The Commerzbank indicator rose 0.6 to 2,035.8.

Both indicators reached their high for the year to date on Monday, at 1,811.57 and 2,043.80, respectively. Volume on the eight German exchanges totaled 27,337 billion Deutsche marks for the four-day

trading week, against 46,066 billion for the previous five-day week.

Hong Kong

Strong overseas buying and a one-percentage-point cut in local interest rates sent stock prices to record highs.

The Hang Seng Index gained an impressive 220.49 points, or 3.8 percent, during the week to close at 6,080.15 on Friday. That was slightly below the record high of 6,082.70 on Wednesday.

Average daily volume increased sharply to 5,837 billion Hong Kong dollars from the previous week's 3,899 billion.

London

Share prices recovered most of their losses by the end of the week, bolstered by gains on Wall Street. The Financial Times-Stock Exchange 100 Index lost 7.4 points over the week to close at 2,707.60 on Friday. The FT-30 Index rose 4.9 to 2,114.10.

The FT-SE 100 had dipped below 2,700 early in the week, de-

pressed by disappointing company results and negative economic indicators, as well as the collapse of the developer Mountleigh and the move of Olympia & York's Canary Wharf project into court administration.

Barclays Bank, the most exposed to O & Y debt, lost 4 percent on the week but Lloyds recovered, rising 2 percent.

Milan

Share prices posted slight gains in cautious trading during a holiday-shortened week.

The MIB index gained five points or 0.51 percent, to close on Friday at 980. Daily volume was about the same as the previous week with an average of 40 million shares worth 110 billion lire changing hands.

The election of a new president following weeks of political paralysis did not have much of an impact on the market and analysts said investors were awaiting the formation of a new government.

Paris

Share prices edged down slightly during the short week, with the CAC-40 index losing 11.81 points, or 0.5 percent, to close at 2,033.29 on Friday.

Some analysts said the market may have already peaked for the year, having gained about 15 percent since Jan. 1. They said the mood remained pessimistic in the aftermath of comments by Finance Minister Michel Sapin ruling out any near-term cut of French interest rates.

Singapore

Share prices posted solid gains with the Straits Times industrial index gaining 57.97 points, or 3.95 percent, to close Friday at 1,524.69. The all-share index gained 13.85 to 408.31.

Volume for the week jumped 145 percent to 340.51 million shares worth 884.72 million Singapore dollars.

Tokyo

Share prices continued to advance, led by the financial, real estate and auto sectors.

The Nikkei Stock Average of 225 selected issues gained 126.75 yen, or 0.7 percent, during the week to close at 18,347.75 on Friday. The broader-based Tokyo Stock Price Index added 4.62 points to 1,376.32.

Average daily volume shrank to 226.1 million shares worth 205.7 billion yen from 283.8 million shares the previous week worth 248.7 billion yen.

Zurich

The stock market posted moderate gains in thin trading.

The Swiss Performance Index gained 6.12 points during the four-day trading week to close at 1,203.64 on Friday.

Banks finished lower because of their exposure to Canary Wharf. UBS lost 30 francs to 3,330. SBS was down 7 to 270 and Credit Suisse shed 15 to 1,975.

Rise in Taiwan Dollar Worries Businesses

TAIPEI — The appreciation of the Taiwan dollar to record highs last week is alarming monetary authorities and businessmen, who fear it could hurt an export boom. Buoyed by Taiwan's trade surplus and domestic interest rates that are well above U.S. rates, the local currency climbed to a record 24.90 to the U.S. dollar on Saturday.

Foreign exchange dealers and economists said that pressure for appreciation was intense and that the currency, which has strengthened from around 27 to the dollar in mid-1991, was likely to continue rising.

Economists say Taiwan's trade

surplus, which soared 109 percent from a year earlier to \$4.03 billion in the first four months of 1992, is pushing the Taiwan dollar higher as exporters remit their earnings back to the island. But businessmen say profits are being squeezed and warn that a further rise in the dollar could seriously hurt Taiwan's competitiveness.

Foreign exchange dealers say the central bank has been intervening in the market to slow the rise.

Dealers say the central bank may be wary of intervening more strongly because of pressure from the United States. The U.S. Treasury in May accused Taiwan of manipulating the exchange rate and said the Taiwan dollar should rise further.

BUSINESS BRIEFS

Coke Lifts East Europe Investment

ATLANTA (Reuters) — Coca-Cola Co. said on Sunday that it would invest nearly \$1 billion with its bottling affiliates to expand business in Central and Eastern Europe through 1995. The announcement by the world's largest soft drink company came as it opened a \$30 million plant employing 200 workers in Gdynia, Poland. It plans to open another Polish plant later in the week. In the plan, more than \$200 million is set aside for Poland, but Coke's biggest investment is targeted for Eastern Germany, where the company has multi-year plans to spend \$450 million.

New Penalties Reported for Hyundai

SEOUL (AFP) — The Korea Exchange Bank will punish 16 affiliates of the Hyundai group for failing to collect cash repayment for loans to the group founder, Chung Ju Yung, and his family members, press reports said Saturday.

An official of the state-run bank was quoted as saying the 16 companies would face strict monetary sanctions beginning Monday, including withholding permission for new industrial investment or real estate purchases and freezing of new bank credits.

AT&T in Talks to Avert a Strike

WASHINGTON (Combined Dispatches) — Negotiators for American Telephone & Telegraph Co. and unions representing 125,000 workers resumed contract negotiations Sunday in an effort to avert a strike. AT&T's contract with the two unions, Communications Workers of America and International Brotherhood of Electrical Workers, expired at midnight Saturday.

Long-distance operators, technicians and customer representatives have threatened to walk off the job to press their demands for higher pay and better protection from layoffs. (AFP, Bloomberg)

China Vows to Protect EC Patents

BEIJING (AP) — China pledged Saturday to strengthen protection of European patents, copyrights and trademarks similar to measures in a U.S.-China agreement on intellectual property rights protection. The promise was made in response to demands by the European Community for the same protection of European pesticides and agricultural chemicals as China has agreed to provide for U.S. products, the official Xinhua news agency reported.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, May 29.

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Environment The Rio Agenda

Guidelines for a Viable Future

On a warm spring evening in May, 37 people gathered in a room borrowed from a north London nursery school for an "open meeting" that had been sponsored by several local environmental groups. It was a scene that was being duplicated in communities all over the globe.

The main speaker was Felix Dodds, a full-time environmental campaigner employed by the UN Association, a private, nonprofit group that supports United Nations environmental and humanitarian policies. His topic was the 10-day Earth Summit opening Wednesday in Rio de Janeiro.

"Whatever happens in Rio, it will change our lives forever," Mr. Dodds told his audience, many of their heads nodding almost imperceptibly in agreement. "This may be the best chance, the last chance, to save the Earth."

For once, not even environmental skeptics — those who see the movement as one long cry of wolf — are able to disagree with such broad statements that have been made by Mr. Dodds and thousands of other activists in similar informal meetings about the Earth Summit in cities and towns around the world in recent weeks.

Since the United Nations General Assembly resolved in December 1989 to convene the Earth Summit, which will draw 10,000 delegates and the largest gathering of world leaders in history, the conference has focused global attention on the environment as never before.

Formally known as the United Nations Conference on Environment and Development, the Earth Summit has an ambitious schedule that encompasses a wide spectrum of complex issues, from the "big" general topics such as global warming and overpopulation to narrower, more specific questions such as biogenetic engineering and cleaning up industrial pollution in Eastern Europe and the former Soviet Union.

No matter what comes out of the summit, it has already succeeded in promoting new links between environmental and economic issues. Just as study after study has shown that eradicating poverty is a surefire way to ease overpopulation in developing countries, one of the informal themes of the Earth Summit movement is "sustainable development" — the promoting of environmentally friendly economic advancement through

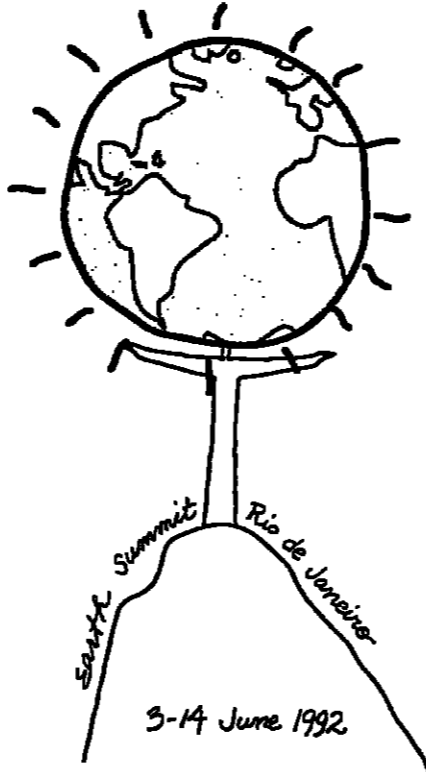
homegrown trade and industry rather than foreign-aid handouts.

Environmentalists hope that the conference will produce a sweeping "Earth Charter," more likely to be known as the Rio Declaration on Environment and Development, setting out the environmental rights and responsibilities of countries, companies and individuals.

The hope is that such a charter, if it were accepted at the conference, would ultimately assume the weight of "soft law" in much the same way that the United Nation's 1948 Universal Declaration on Human Rights has become a non-binding yet effective benchmark of international law and diplomacy.

Almost certain to be endorsed by the Rio conference and signed by attending world leaders is the United Nations Convention on Climate Change. This treaty was originally drafted to force signing nations to commit themselves to reducing emissions of "greenhouse gases," such as carbon dioxide, that contribute to global warming. The United

Continued on Page 16



Consensus: If Not Now, When?

Maurice Strong is secretary-general of the United Nations Conference on Environment and Development. In the following remarks, he stresses the crucial opportunity the Earth Summit offers the world to coordinate its efforts in managing environmental concerns.

As we move into the homestretch on the road to Rio, I am of course very pleased that President Bush has made known his intention to participate in the Earth Summit. Thus the United States will be manifesting its interest and leadership at the highest level in taking a leadership role to determine the destiny of our planet. The decisions at Rio will determine the prospect for the future of our planet and its people.

The UN Conference on Environment and Development, which will take place in Rio de Janeiro June 3-14 this year, will be the largest summit conference ever held and the first "Earth Summit."

The decisions taken at the summit will be based on more than two years of intensive preparations and negotiations by governments with the participation of a broad range of other intergovernmental and nongovernmental organizations and constituencies. These include scientists, business leaders, educators, religious and cultural leaders, trade unions, women, youth, indigenous peoples, parliamentarians and local government leaders.

As a result, world leaders assembled for the Earth Summit in Rio de Janeiro will have before them a series of concrete proposals that add up to a new global partnership designed to ensure the future integrity and sustainability of both the environment and the economy.

At the heart of these measures is Agenda 21. It comprises a series of 115 special interrelated programs covering a broad range of issues, from the disposal of toxic and hazardous wastes to the sustainable management of forests, biological resources, oceans, freshwater resources, ensuring food and energy security, safeguarding health and use of economic instruments to promote more environmentally sound and sustainable economic behavior by industry and individuals.

Just a few weeks ago, a major report, "Changing Course: A Global Business Perspective on Development and the Environment," prepared as a contribution to the conference, was published by the Business Council for Sustainable Development. It lays down a wide-ranging agenda for action by industry to lead the transition to sustainable development.

The report calls for new partnerships between government and industry and between developed and developing countries to "overcome the inertia of the present destructive course." In particular, it challenges business leaders to participate in redefining the rules of the economic game.

This is reflected in the basic premise of Agenda 21, that the serious imbalances that today threaten the sustainability of both the global economy and its environment have arisen primarily from the pervasive and proliferating population growth of developing countries and the wasteful and environmentally destructive patterns of production and consumption of the industrialized countries. To redress these imbalances will require concerted action on both fronts. But the lead must come from industrialized countries.

Continued on Page 16

Agenda 21: The Issues

The UN Conference on Environment and Development "action plan" for the 21st century, known as Agenda 21, calls for new levels of cooperation in seven major areas:

The Prospering World: Revitalizing growth with sustainability. Accelerating sustainable development through international and domestic policies, and integrating envi-

ronmental and development concerns in decision-making.

The Just World: Sustainable living. Combating poverty, changing consumption patterns, demographic dynamics and health issues.

The Habitable World: Human settlements. Urban issues such as water supplies, waste management and health.

The Fertile World: Efficient resource use. Land and fresh water resources, energy, rural and agricultural development, managing fragile ecosystems like islands and mountains, and biotechnology management.

The Shared World: Global and regional resources. The atmosphere, oceans and seas, and living marine resources.

The Clean World: Managing chemicals and waste. Toxic chemicals and radioactive and other forms of hazardous waste.

The Peoples' World: People participation and responsibility. Education, training and public awareness, and strengthening the role of women, youth, indigenous people, private campaigning organizations, farmers, local officials, trade unions, business and industry, and the scientific community.

T.H.

Before

OLYMPUS MULTITE

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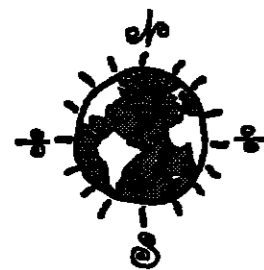
So try the Olympus Superzoom 110 on for size. Once you do you'll see the difference. It's a heavy hitter. Not a heavy weight. **SUPERZOOM 110**

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ADVERTISING SECTION

Developing Countries: Who Will Foot the Bill?

Top officials representing developing countries at the UN Conference on Environment and Development left home armed with loads of official statements, declarations and reports to back their expected calls for support through the long process of reconciling their development ambitions with environmental needs.



The acute awareness of the potential sacrifices dictated by these needs will be translated into aggressive and persistent demands for financial support to offset the political and economic costs of environmental conservation.

Overwhelmed by the prospect of imminent changes to achieve "sustainable development," the governments of developing countries are skeptical about the chances of a real global partnership to achieve this aim.

Describing Rio's gathering as "one of the most important international forums in UN history," UN Secretary-General Butros Butros Ghali issued a message of sympathy

with the developing world's concerns on the eve of the conference. "The conference will deal with the questions of poverty and the continuing degradation of a considerable part of humanity, a condition which must be addressed if the poor world is to join the rich world in the efforts to save and renew our planet," he said.

The developing countries strongly favor setting up a fund to finance programs and projects based on Agenda 21. Their representatives at various preparatory meetings, including the Second Ministerial Conference of Developing Countries on Environment held recently in Kuala Lumpur, issued a statement indicating that the expected decision on establishing this fund would be considered proof of the industrialized countries' goodwill and seriousness. Sharing the hopes of other developing nations that total funding for the process would be doubled to more than \$100 billion annually, or the equivalent of 0.7 percent of the industrialized countries' GDP, African countries are adopting a more aggressive attitude. The poorest group

of nations in the world expressed its position in a statement issued on behalf of the Organization of African Unity at the Global Coalition for Africa meeting in New York last March, warning: "It is beyond doubt that the Earth Summit may be an exercise in futility if adequate provision is not made for new and additional financial resources to implement Agenda 21."

The more seasoned aid recipients such as Egypt, which has been among the world's top aid receivers over the last three decades, realize that apart from the proposed fund, half of the aid previously earmarked for environmental protection has been neither allocated nor disbursed. While all developing countries know "there is a big cake to share," according to Salah Hafez, the chairman-in-charge at the Egyptian Environmental Affairs Agency, the more experienced aid receivers will be seeking to secure a share of the cake by impressing the prospective donors attending the forum.

While they are eager to commit the developing world to support the

future process, the developing countries' terms for receiving this aid are likely to put them on a collision course with the donors. The public position adopted by the Kuala Lumpur group is, "Programs must support national priorities, must form an integrated package and should not be used as a new form of conditionality in access to development support or attempts to review national policies or strategies." Moreover, they stress, "The implementation of Agenda 21 programs will depend on the availability of adequate, new and additional financial resources and the transfer of environmentally sound technology to the developing countries on preferential and concessional terms."

While most developing countries fear that modern and environmentally friendly technology will not be readily accessible to them, a few examples suggest this can be achieved through the appropriate mechanism and negotiations, according to Osama Abdel-Wahab, chairman of El-Nasr Castings company. He refers to ENC's new valve and pipe-fitting

plant, designed and constructed by the leading Swiss companies George Fischer and Vonroll. The plant, whose investment cost exceeds \$100 million, is the most modern foundry in the developing world. It has a dust-collection system through built-in pipes that filters out hot and harmful gases emitted by the molten metal as well as sand.

While the promise to eradicate poverty to prevent further abuse of the Earth's resources is acknowledged as a global goal, the prerequisite to achieving this has yet to become a global commitment. While governments in the developing world have, over the last three decades, welcomed technical and financial assistance to control population growth, the results achieved have been only partially successful. Projected to represent four-fifths of the world's population over the next 40 years, these countries realize that they will come under pressure to reduce these rates over a short period of time, but they remain undecided on the ways and means of doing so.

Olfat El-Tohamy

Forests Remain Sensitive in North-South Talks



Although deforestation has been cited as a key factor in numerous environmental degradation problems — air and water pollution, biodiversity loss, global warming — the creation of a convention on forest conservation designed specifically to address the issue has been stymied by both northern and southern reluctance to be pinned to specifics.

Forests have become pawns in the maneuverings between northern and southern nations, dimming prospects for a comprehensive Earth Summit accord to slow their destruction.

national development in order to preserve the economic dominance of the G-7 nations and their allies.

These countries also feel that because developed countries are disproportionately large consumers of natural resources and the world's principal polluters, it is incumbent upon them to clean their own houses before calling upon the developing nations to curtail their use of their own resources. They also want technology transfer and funding to implement conservation measures.

They have also succeeded in expanding the original, politically charged term "rain forests," which they felt singled them out as the sole depleters, to "forests," which would include historic and current damage taking place in developed countries.

"The major gain is that the approach to forests was widened and deepened," says Bernardo Zentilli, senior forest advisor for UNCED in Geneva. "Previously, when we talked about the value of forests, we were only looking at the value of timber. Now, it is seen in a wider way: soil protection, water cycles, biodiversity, climate change, prod-

ucts and services. The broader definition marks a shift in attitude; forest conservation is now seen as a global and political issue."

What will be discussed instead at the Earth Summit are what the PrepCom IV document described as "a non-legally binding authoritative statement of principles for a global consensus on the management, conservation and sustainable development of all types of forests."

These so-called Forest Principles include: (1) a nation's right to develop economically and socially; (2) the likelihood of future negotiations for a forest convention (opposed by the developing nations); (3) the global interests of forests (and thus, international determination of how a nation might utilize them); (4) the role of international cooperation in forest preservation; (5) policies for forest management and utilization; (6) historical compensation for forest loss; (7) technology transfer for the conservation and utilization of forest resources; and (8) recognition of indigenous capacity and local knowledge of forests.

In the absence of a specific con-

vention on forest conservation, forest issues will be discussed as supplementary provisions of the Convention on Biological Diversity and the Convention on Climate Control, both of which are affected by the destruction of forests.

The Convention on Biological Diversity views forests as repositories for vital ecosystems and gene pools that ensure the vitality of plant and animal life. It calls upon the developed countries to provide financing and expertise to encourage and enable developing countries to conserve forests and to promote their socioeconomic growth.

This is a sticking point for several Western governments. "Some Western leaders are ideologically opposed to the Earth Summit," says Charles



A reforestation project in part of Brazil's disappearing Atlantic forest.

Barber, associate in forests and biological diversity at the privately funded World Resources Institute in Washington, D.C. "They regard it as another way to disguise redistribution of wealth from the developed to the developing countries. Some American opponents feel that if the

Biodiversity Convention were signed by the United States, it would be a potent tool for environmental groups to confront the United States on its own forest issues like the old-growth forests in the Northwest region."

Steve Van Beek

Guidelines for a Viable Future

Continued from Page 15

States objected, however, to the treaty's mandate that signing countries must reduce their carbon dioxide emissions to 1990 levels by the year 2000. The unspoken threat was that if the firm deadlines stayed in the treaty, President George Bush would not attend.

Three weeks ago, at the close of more than a month of tough pre-convention negotiating in New York, a compromise treaty was approved that sets no deadlines but instead suggests that reducing carbon dioxide emissions "would be an appropriate signal by developed countries."

A few days later, President Bush confirmed that

he would indeed fly to Rio, thereby allowing organizers to breathe a huge sigh of relief after months of fretting that his absence would undercut the entire summit.

The watered-down global-warming convention, however, is one of the few major issues that has been worked out before the summit opens. Major questions surround another U.S. convention on "biodiversity," which covers topics such as preservation of existing plant and animal species, rehabilitation of damaged ecosystems and regulation of biotechnology.

Perhaps the largest stumbling block is Agenda 21, the so-called "action plan" for environmental programs into the 21st

century. After decades of virtually worldwide agreement that the Earth's atmosphere, oceans, land, forests and species are worth protecting, Agenda 21 presents a framework for fighting the environmental threats.

Agenda 21 offers what the United Nations calls "the basis for a new global partnership for sustainable development and environmental protection everywhere in an increasingly independent world." Its blueprint for change — a New World Environmental Order, it might be called — sets forth themes covering poverty, health, consumption patterns, land and water management, waste control and education and training.

How much of Agenda

21 is endorsed by the full Rio convention remains anyone's guess. Naturally, the more than 3,000 environmental groups and 160 nations attending, including more than 100 heads of state or government, all have their own priorities.

The bottom line, literally, will be the money that nations are willing to spend. The United Nations estimates that annual cleanup costs could be \$125 billion for the immediate future — in the developing nations alone. Costs for full global environmental cleanup, protection and conservation programs are estimated at up to \$625 billion, roughly 3 percent of the world's gross domestic product.

Timothy Harper

From North, South, East and West The People of the World are Coming to Rio for EARTH SUMMIT '92

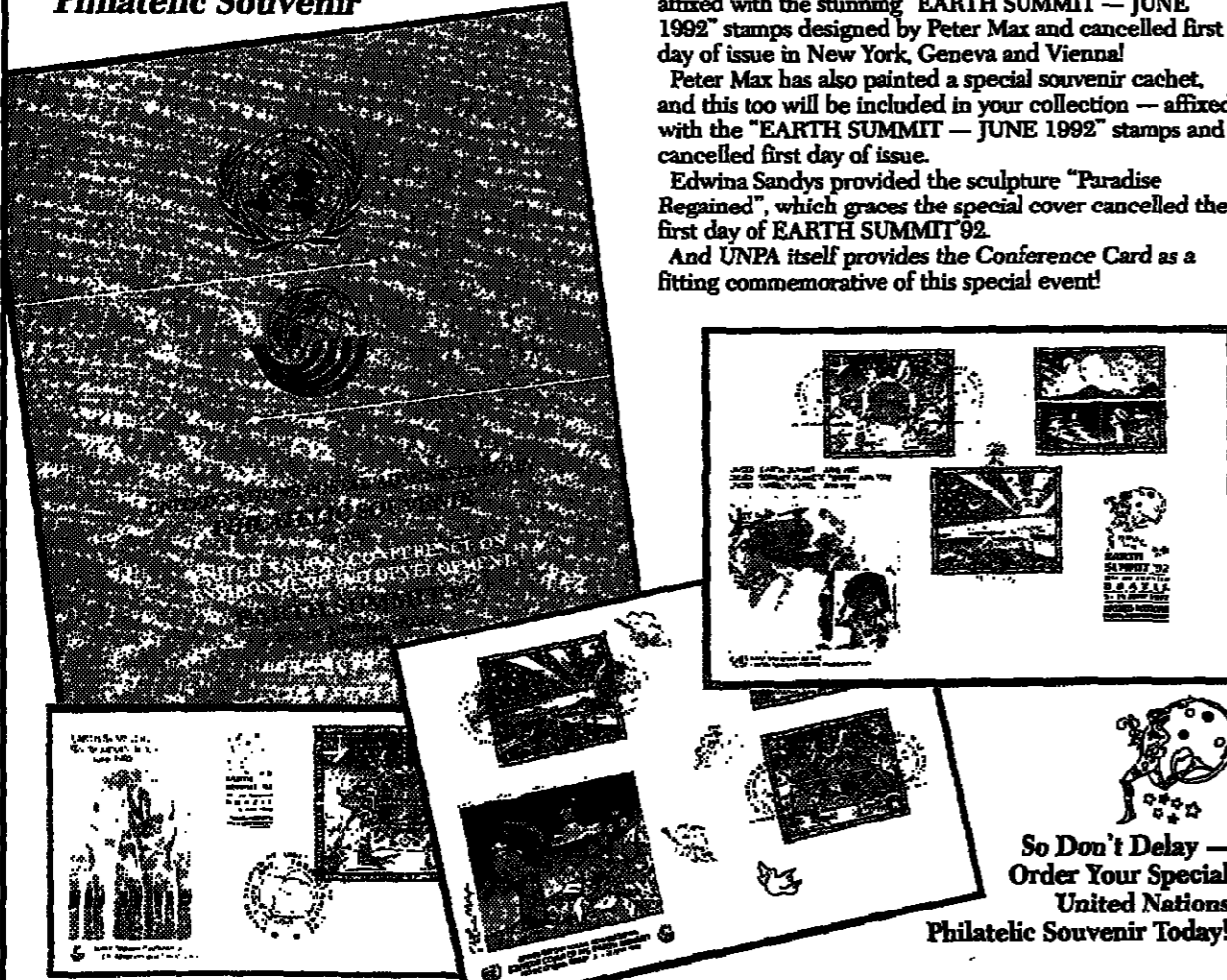
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If Not Now, When?

Continued from Page 15

which, in the course of achieving their current unprecedented levels of affluence, have also produced most of the global risks we now face.

Developing countries share these risks and, indeed, are even more vulnerable to them. But most of their people are engaged in a day-to-day struggle for survival that drives them to destroy the natural resources on which their own future depends while adding to global environmental deterioration. At the same time, crushing debt burdens, trade barriers and the impact of global recession deprive them of the funds they require to revitalize the economic and social development they so desperately need and to cooperate in measures required to avert global environmental risks.

Full implementation by developing countries of Agenda 21 would cost an estimated \$625 billion per year, of which some \$500 billion would have to come from developing countries themselves through redeployment of their own resources. Some \$125 billion per year would need to come from external sources, \$70 billion more than current levels of official development assistance of some \$55 billion per year. While this is substantial, it represents less than 1 percent of the GNP of OECD countries.



Maurice Strong: "Failure at Rio would suggest a massive breakdown in global cooperation."

The risks to the integrity of the Earth's environment and life-support systems must be seen as the most important and pervasive security risk we have ever faced. Once we accept the need to give global environmental security priority, the funds required can be made available by redeployment of existing resources, including funds released by reduced military expenditures and revamping of subsidies and tax breaks that encourage environmentally unsound practices. It is, after all, primarily through our economic behavior that we affect the environment. If we are to make the transition to sustainable economic behavior, governments must redirect the system of incentives and penalties that motivate that behavior.

More than 100 of the 175 member nations of the United Nations will be represented in Rio at the level of

heads of state of government. This will make it the largest summit conference ever, and the first true "Earth Summit." Rightly so, because no conference in history has ever faced the need to take such an important range of decisions — decisions that will literally determine the fate of the Earth.

Failure at Rio would signal a massive and perhaps irretrievable breakdown in the global cooperation that is indispensable to both environmental and economic security, which could deepen into a large-scale rich-poor conflict.

The challenge before all of us is to contribute our part in supporting our leaders in the exercise of their historic responsibility to ensure a more secure, hospitable and sustainable future for the entire human community as we move into the 21st century.

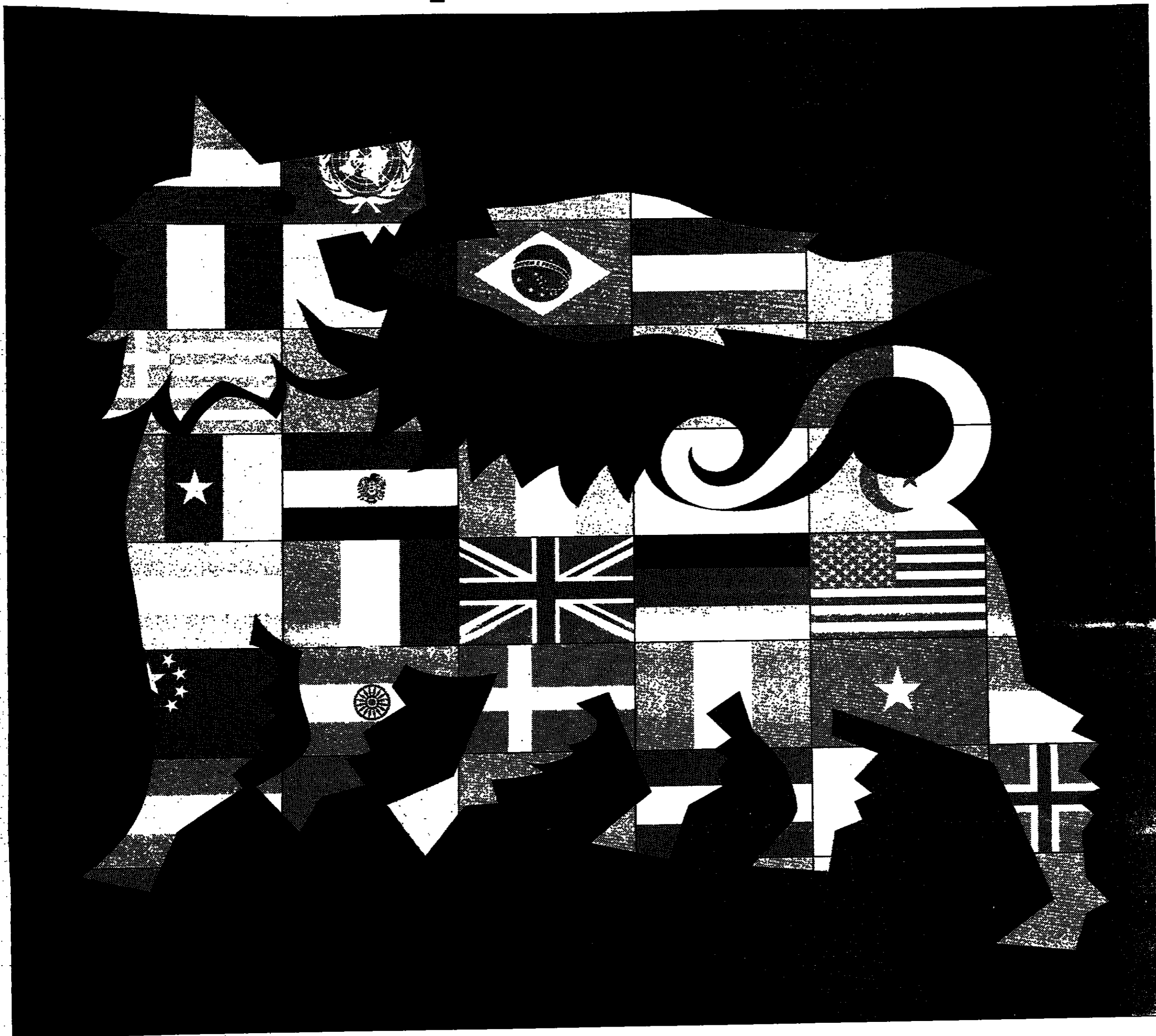
Maurice Strong

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- Claudia Flisi is a business writer based in Milan and Monte Carlo.
- Timothy Harper, a London-based American journalist and lawyer, is the author of "Cracking the New European Markets," published by John Wiley & Sons, New York.
- Maurice Strong is secretary-general of the UN Conference on Environment and Development.
- Olfat El-Tohamy is a journalist, business consultant and lecturer in business communications based in Cairo.
- Steve Van Beek is a writer based in Bangkok.
- Steve Weinstein is a free-lance writer based in New York.

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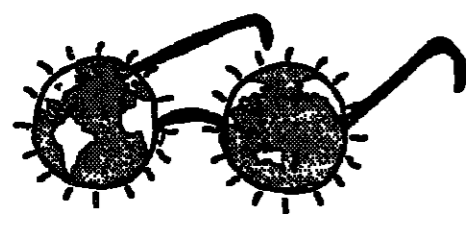


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As long as there is ENI, there will be energy.

Business Sets Guidelines For Sustainable Growth

According to UN studies, the world's 500 largest companies are responsible for 70 percent of world trade, 60 percent of foreign investment and 30 percent of world gross domestic product.



When Maurice Strong took on the job of secretary-general of the United Nations Conference on Environment and Development, he knew it was crucial for the international business community to be given a major role in preparations for the Earth Summit.

He reasoned that any treaties negotiated between governments at Rio would be handicapped without the participation of the multinational corporations that drive the world's economic machine. To ensure the active engagement of business, he turned to Stephan Schmidheiny, a 44-year-old Swiss industrial magnate who inherited a family fortune and parlayed it into a portfolio that includes substantial shares in companies like Asea Brown Boveri, the watchmaker SMH (Swatch and Omega), Landis and Gyr and Nestlé.

Mr. Strong first encountered Mr. Schmidheiny at an environmental conference where the young Swiss delivered a speech calling for a sharp reorientation of business principles for an environmentally sound future. From his years working in various developing countries conducting university studies and later running divisions of the family business, Mr. Schmidheiny developed a commitment not only to environmental affairs, but also to the development problems that plague the poorer countries. His response was to recruit 47 other leading corporate officers to form the Business Council for Sustainable Development.

The BSCD company roster now includes IBM, Ciba-Geigy AG, Mitsubishi Corp., Asea Brown Boveri Ltd., Volkswagen AG and Lyonnaise des Eaux-Dumez. Established to provide a business perspective at the Earth Summit, the BSCD will make a decision after the conference on whether and how to continue.

Mr. Schmidheiny, conscious of charges from some quarters that the council is no more than a public

relations exercise to gloss over the poor environmental performance of many multinationals, is quick to admit that some members have less-than-sterling records.

"Not all of the representatives on the board are actively pursuing sustainable development policies and actions now," he says. "But the issue of the environment, especially when it concerns sustainable development, is a very complex one for which businesspeople have never been trained. They don't have the experience or background, and the first thing they have to do is to gear up their corporations to handle the issues."

The first step in this process is a recognition of the limits to growth. The BSCD has been forthright in promoting this view as a premise for future economic development.

"Sustainable development is about redefining the rules of the economic game," Mr. Schmidheiny emphasizes. "Business leaders need to participate in devising rules, striving to make them simple, practical and efficient. But this also implies some restrictions on growth." He adds: "No one has quantified what restrictions there might be. There would be obvious limits as to what impact we would accept on the environment made by future growth. But those limits may have a more significant impact on how development takes place than on limiting growth per se."

Since the BSCD first convened almost two years ago, the members have produced a document that outlines the principles businesses need to adopt for a sustainable future. The report, entitled "Changing Course," will be presented at the Earth Summit. The 374-page document covers setting prices on environmental destruction, energy, capital markets, trade, corporate management, technology cooperation, renewable resources (including agriculture and forestry) and sustainable development in developing countries. It also contains 38 international case studies of sustainable business practices.

Mr. Schmidheiny defends criticism leveled by many environmentalists that the case studies do not

include the reprehensible corporate policies of past and present.

"First of all, the sad cases are very well-reported around the world," he says. "Secondly, we know from experience that success is by far the most convincing argument for business-people. By showing successful companies and important leaders taking initiatives in environmental protection, we can give the best possible incentives to others to follow suit and seek new opportunities."

While the report underlines the importance of free markets as the "cornerstone" of sustainable development, it also maintains that "the right signals" are crucial to bring real environmental costs into economic calculations. And number one on the BSCD hit list for any economic re-

form in the quest for sustainable development is subsidies, especially those for nonrenewable energy.

"Fossil fuels are subsidized to an incredible extent," Mr. Schmidheiny says. "This is crazy from an environmental standpoint."

Adds Torvald Aakvaag, a Norwegian executive for the state-owned conglomerate Norsk Hydro, who led the writing of the report. "Governments and business have failed to integrate the environmental costs of producing and distributing goods and services into economic decision-making."

To rectify this, the report recommends a new policy mix between industry and government that includes the following:

- phasing out subsidies that en-

courage waste and environmental degradation;

- levying pollution taxes and charges;

- introducing tradable pollution permits and resource quotas;

- removing trade and other barriers that restrict market access and activity;

- reforming capital markets to foster long-term private investment, savings, capital appreciation and wealth creation.

While these recommendations do not break any new ground in themselves, the fact that they come from a group of heavyweight business leaders could mark an important milestone in the long-running debate between government, environmentalists and the business community.

The BSCD's proposals for technology transfer are progressive and perhaps even practical.

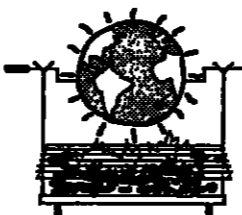
At a recent press conference, Mr. Aakvaag said: "Included in the critical elements of this technology cooperation is the development and training of people involved, upgrading the technology to remain competitive and the introduction of appropriate management systems and continuous innovation."

The response of major environmental groups to the BSCD's report has been mixed. Greenpeace and others have dismissed it as well-intentioned but hollow rhetoric, while the U.S.-based Environmental Defense Fund calls it a "promising direction for the future."

Kevin Billingham

Global Warming Debate: Reconciling Viewpoints

Whatever the outcome of the Rio summit, the positions taken on global warming will be laid out with at least as much heat as the subject itself generates. The subject encompasses all the dichotomies inherent in the international scene: developed vs. developing countries, business vs. environmentalists, idealists vs. pragmatists, scientists vs. economists.



Global warming, sometimes called the greenhouse effect, refers to the measurable rise in global average temperatures due to the increased burning of fossil fuels. There is no question that concentrations of these gases have increased notably since the Industrial Revolution. The result is not overall warming, but a general disruption of weather patterns with unpredictable changes, plus a rise in sea levels. A global rise of 10 meters (possible within the next 200 years, according to some scientists) would flood about 10 million square kilometers, or an area the size of China.

If the risks of global warming were ascertainable, agreement on solutions might be more readily forthcoming. But such predictions are fraught with risk, making the situation one that U.S. politicians — particularly in an election year — would prefer to avoid.

The United States has staunchly resisted the imposition of a specific cap on fossil fuel emissions, limiting them to 1990 levels by the end of the century, as the Europeans have proposed. To ensure U.S. participation, the draft treaty on global warming to be signed in Rio sets no timetable or deadline for reaching this objective. Among major industrialized countries, only the United States has no clear targets for carbon-dioxide reduction.

While the United States is the world's worst polluter in overall terms and generates one-fourth of all carbon dioxide emissions, it currently contributes more than half of the world's climate research budget and has arguably the best-enforced pollution-control laws on the globe. It claims that such laws, including the 1990 Clean Air Act and other measures, will be enough to hold its carbon-dioxide emissions more or less to current levels by the 2000.

European politicians, on the other hand, have adopted the policy of "no regrets." They insist it is better to act now and have no regrets later than to wait until the risk is more measurable, when it may be too late. In November 1989, the European Community adopted a declaration stating the need to stabilize the emissions of carbon dioxide by the end of the decade. In October 1990, the decision was made to set 1990 levels as a baseline objective.

Declared the EC's environment commissioner, Carlo Ripa di Meana. "It is vital that Rio is not simply a media event [but yields] concrete decisions with binding obligations to achieve precise targets." He proposed an energy tax to help Europe achieve this goal. Without such a tax, which would start at \$3 per barrel of oil and gradually rise to \$10 per barrel, a rollback to 1990 levels is considered unattainable. Although this tax is only part of a three-pronged strategy proposed by the EC two years ago, predicated on

"fiscal neutrality," it has caught the worst flak on the eve of Rio.

Mr. Ripa di Meana's announcement last week that he would not attend the Rio summit was linked to the refusal of EC environment ministers to endorse the proposed tax. Germany, Italy, Luxembourg, Denmark and the Netherlands objected that the plan was conditional on the United States and Japan's adopting similar measures.

Yet the Business Council for Sustainable Development, a high-level group of 48 industrialists, issued a report last month that also endorsed a value-added tax on energy, among other measures. One of the report's authors is Gabriele Cagliari, president of Italy's state-owned colossus ENI. He says that one factor boding well for the Rio summit is that, "Through the Business Council, those with corporate responsibilities are involved for the first time."

Japan has become more outspoken on environmental issues, but is internally divided about an energy tax. Its energy costs are already twice those of Europe, while its industries have improved their efficiency at a far greater rate than those of the EC. Nevertheless, it has endorsed changes in rich-country lifestyles. Shozaburo Nakamura, the Japanese minister responsible for global environmental problems, recently stated: "Developed countries should fundamentally change their urban structures, transportation systems and lifestyle from the current industrial-

ized culture aiming only at economic growth for its own sake to one more environmentally sound."

These words ring hollow to the nations of the developing world, for whom mass production and consumption are still aspirations. At present, these countries contribute little to the problem of global warming. For example, points out Richard Mott, treaties officer of the World Wide Fund for Nature, "India produces only one-fifth of the warming gases per capita as does the U.S. The burden rightfully lies with OECD countries."

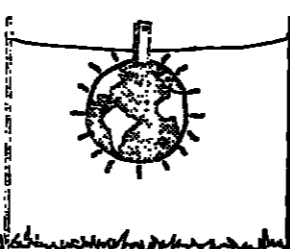
Yet the potential for future problems exists. So Rio will also try to look after developing countries' interests. The principal funding mechanism is likely to be the Global Environment Facility, a year-old organization created by the World Bank and some UN agencies. Its mandate is to assist developing countries in protecting the environment and to encourage the transfer of technology.

Perhaps there is a basis for optimism at the Earth Summit, as expressed by ENI's Mr. Cagliari. "It is impossible to predict the outcome," he admits. "You have only to think about the financial resources required to realize the proposed objectives; some talk about \$600 billion a year for 10 years — a mountain of money, but keep in mind that we spend double that amount each year for armaments."

Claudia Fiesi

One Very Healthy Sector: The Growing Cleanup Industry

The cleanup of the environment has already created a major industry in the United States. Since the government share in the cleanup has been negligible, the responsibility has fallen on the shoulders of the private sector.



lished relationship with governmental bodies is a valuable asset.

In many cases, the only factor hampering the growth of these companies is the lack of qualified environmental engineers. U.S. regulatory bodies are suffering from a brain drain as personnel rush to join the private sector for much higher salaries. In other nations, the problem is more acute, since relatively few universities have similar engineering programs in place.

U.S. companies have been growing ever since Congress passed the Clean Air Act of 1970. The rate of growth is expected to increase despite the Bush administration's attempts to dilute the Clean Air Act of 1990.

"The market is much stronger in the near term in North America than internationally," says John S. Lally Jr., of the Pittsburgh-based Environmental Elements Corp. "But we expect within the decade to have a much higher percentage of revenues from foreign markets."

European companies have been attracted to the United States because of the established market there. ABB Flakt, for example, the Atlanta subsidiary of Zurich-based Asea Brown Boveri, was formed a few years ago in response to federal laws.

Waste Management Inc. has established remediation programs at 6,000 contaminated sites in the United States within the past 10 years and 4,000 radiation cleanups. It has also been looking overseas for new opportunities. In April, it announced a public offering of Waste Management International PLC, its London-based overseas subsidiary, which worked on the capping

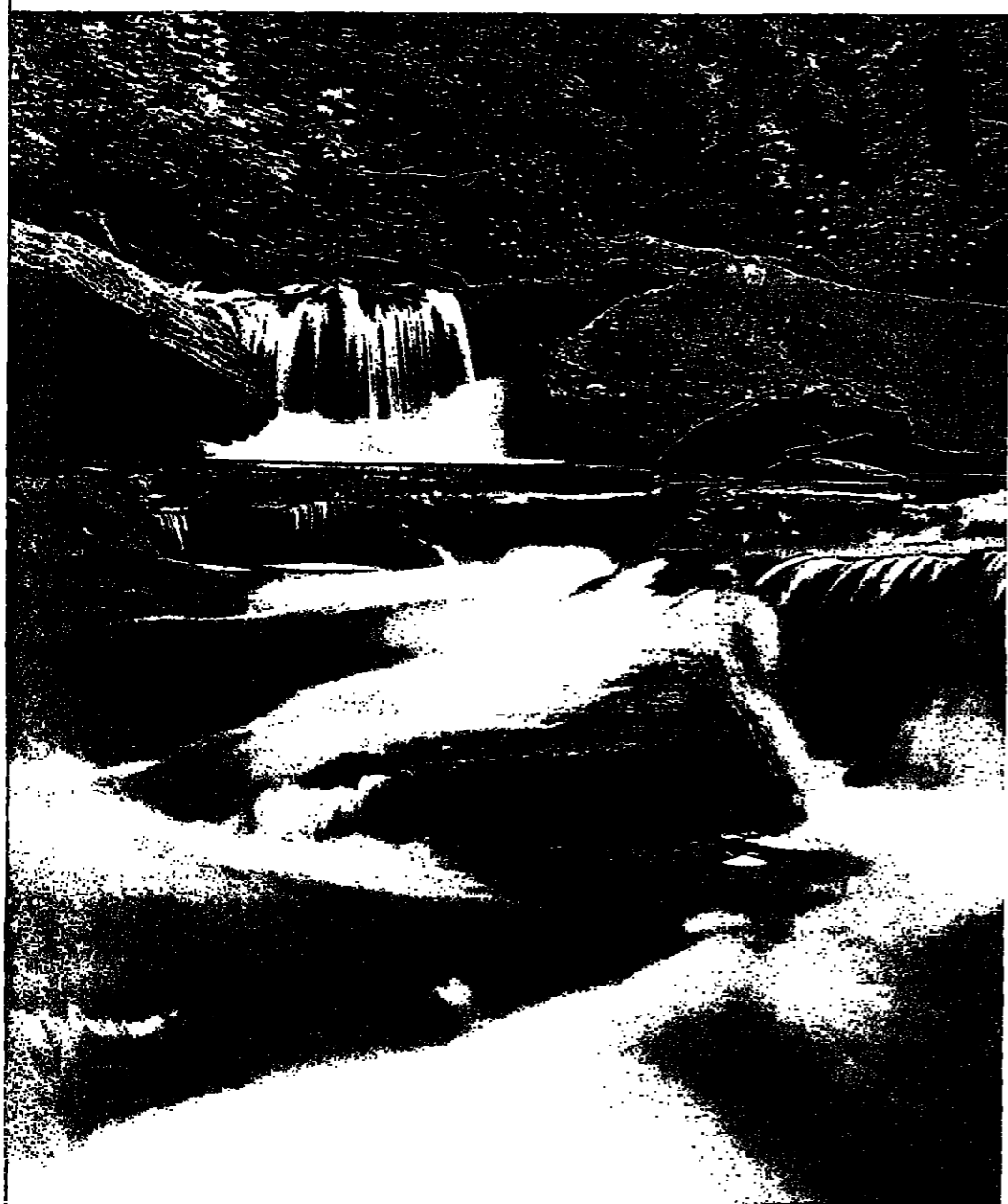
and cleaning of the Kuwait oil wells after the Gulf War.

Although European governments are generally playing catch-up with U.S. regulations, according to several sources, the European Community is expected to adopt most of the standards formulated by its most environmentally sensitive nations.

Waste Management is particularly active in Asia, where it is currently building the world's largest sewage treatment plant in Hong Kong. In May, it announced it would develop several projects with PT Bimantara Citra, an Indonesian company, beginning with a chemical-waste treatment facility in West Java. The agreement exemplifies the direction of the environmental movement in developing countries. The World Bank has warned developing nations that they must include environmental safeguards in burgeoning industries if they are to secure international loans. It also says in a recent report that economic growth can be compatible with an improved environment if the developing countries commit themselves to major reforms — which could cost 2 percent to 3 percent of annual GDP.

Multinational companies fear liability suits resulting from setting up plants with potentially lethal side effects in developing countries. The situation was dramatized by Dow's experience in Bhopal, India. Professor Heal predicts that multinational conglomerates will subcontract toxic-waste disposal and safety features to blue-chip, heavily bonded companies that are specialists in their respective fields.

Steve Weinstein



Technology Is Not A Dirty Word.

Technology. It's brought such progress, but at what cost? It's poisoning our environment—a great crisis of our time. This problem is linked to the problem of efficient energy use; to solve one you must solve the other. We're solving both. We've been at it for years, developing some of the most advanced techniques in the world to turn technology inside out. And make it what it ought to be: a clean clear word that works for the earth.



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OTC Consolidated trading for week ended Friday, May 28 (Continued)

Table of OTC Consolidated trading for week ended Friday, May 28. Columns include Sales, High, Low, Close, and Net Change. Lists various OTC stocks and their performance.

Table of International stock market data. Columns include Sales, High, Low, Close, and Net Change. Lists various international stocks and their performance.

Table of US stock market data. Columns include Sales, High, Low, Close, and Net Change. Lists various US stocks and their performance.

Table of US Treasury Bonds and Consumer Rates. Includes sections for U.S. Treasury Bonds (Maturity, Bid, Ask, Yield) and U.S. Consumer Rates (Tax Exempt Bonds, Money Market Funds, etc.).

Euromarkets At a Glance

Table showing Euromarkets at a glance, including Eurobond Yields and Weekly Sales.

Weekly Sales

Table showing Weekly Sales for Primary Market and Secondary Market.

Libor Rates

Table showing Libor Rates for various currencies and maturities.

U.S. Treasury Bonds

Table showing U.S. Treasury Bonds with columns for Maturity, Bid, Ask, Yield, and Wk. ago.

U.S. Consumer Rates

Table showing U.S. Consumer Rates for various financial products.

WALL STREET REVIEW

Figures as of close of trading Friday, May 29.

Table with NYSE Most Active, AMEX Most Active, NYSE Sales, AMEX Sales, NYSE Diaries, and AMEX Diaries.

Advertisement for BusinessWeek International. Text includes 'This week's topics: Preventing Chernobyl!', 'Has Saudi Arabia Become An OPEC Hawk?', 'Japan's Sudden Deceleration', 'The Best Products Design of The Year', 'Corporate Women: How Much Progress?'. Includes contact information for subscriptions.

Advertisement for Herald Tribune. Text includes 'LIVING IN THE U.S.? NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES'. Includes phone number 1-800-882-2884.

MONDAY SPORTS

FRENCH OPEN

IOC Ponders Move As Other Groups Ban Yugoslavia

The Associated Press
Yugoslavia was barred from international soccer and tennis competition Sunday, a day after the United Nations passed sanctions against the war-torn country.

The Upsetting of the Year's Great Upset

Unheralded Kijimuta, No. 150, Nearly Topples Seles, No. 1 in the World

By Ian Thomsen
International Herald Tribune
PARIS — Leading 4-1 in the final set, up two breaks against the No. 1 player in the world, Akiko Kijimuta held a cup of water to her mouth but did not drink.



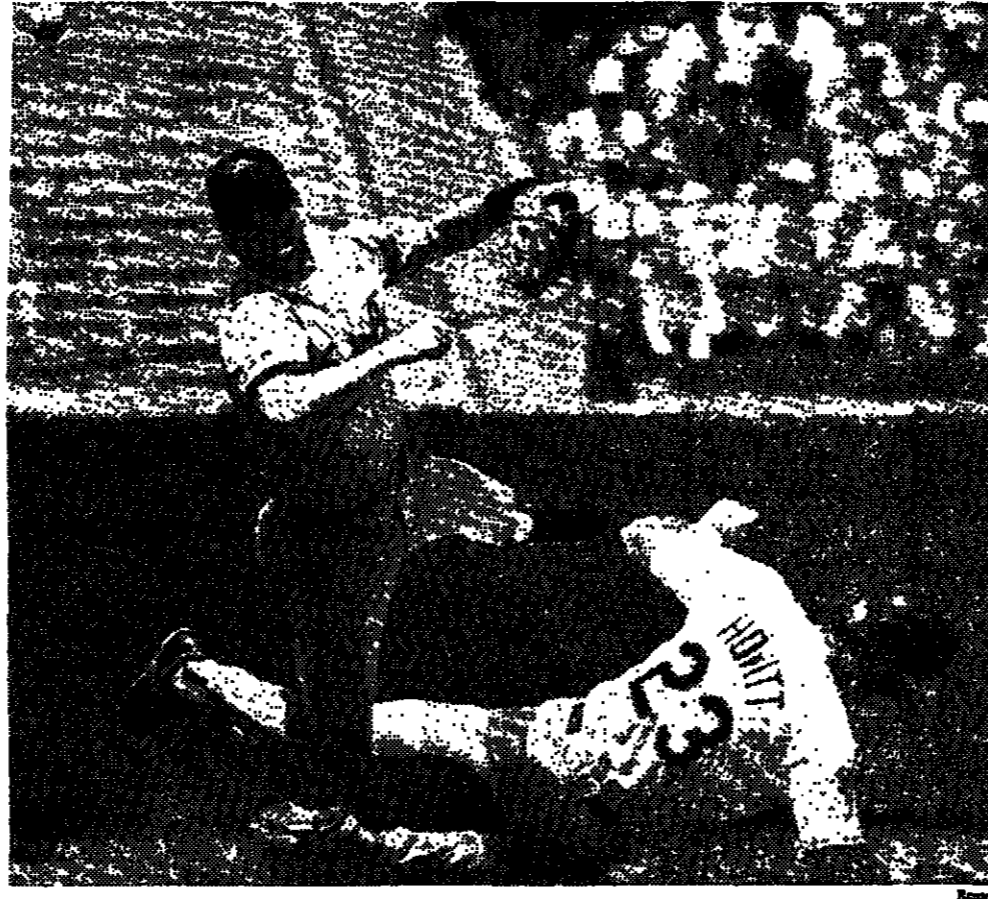
An anguished Monica Seles on Sunday after she dropped a set to Akiko Kijimuta of Japan. But Seles, the tournament's defending champion and top seed, prevailed after a rain delay, 6-1, 3-6, 6-4.

Pirate Errors Help the Giants Come Back for a 5-3 Triumph

The Associated Press
Willie McGee had three hits and the San Francisco Giants overcame a three-run deficit and two Pittsburgh homers with the help of two errors and a variety of infield hits to beat the Pirates, 5-3, on Sunday in Pittsburgh.

burgh, playing at home, past San Francisco.
King opened the inning with an infield single off Jeff Brantley. After a sacrifice and a balk, Slaughter popped to right field near the bullpen fence.

brawl as the Reds beat Montreal in Cincinnati.
Hal Morris was thrown out at the plate while trying to score from second base on Doran's single, and wound up fighting catcher Gary Carter after the collision.



Baltimore's Bill Ripken went over Oakland's Dan Howitt for a double play in the Orioles' victory.

Costa Fizzles Out, Courier Cruises On

By Nick Stout
International Herald Tribune
PARIS — The clay-court saga of Carlos Costa fizzled out Sunday in a dull comedy of errors in which Goran Ivanisevic had the last laugh.

Blue Jays Rally in Ninth to Extend White Sox Skid

The Associated Press
Held to two hits through eight innings by Charlie Hough, the Toronto Blue Jays rallied in the last of the ninth against Bobby Thigpen on Dave Winfield's home run and Greg Myers' run-scoring single Sunday to beat Chicago, 3-2, and send the White Sox to their sixth straight loss.

The Twins are 41-18 against the Tigers since the end of the 1987 regular season. Erickson, who won 20 games last year, entered the game with a 5.37 earned-run average. He had been banished to the bullpen after giving up six runs May 20 at Toronto.

Kansas City past visiting Texas and snapped the Rangers' seven-game winning streak. Kevin Appier pitched seven innings in handling the Rangers just their second loss in a 13-game surge that saw them take over first place in the Western Division.

Mariners 3, Red Sox 6: In Seattle, rookie Dave Fleming pitched a five-hitter for his first major league shutout.
Yankees 8, Brewers 1: Scott Sanderson became the ninth pitcher to beat all 26 major league teams as New York triumphed in Milwaukee.

San Jose 2, White Sox 1: Reserve infielder Jeff Kent doubled home the winning run with two outs in the 11th in Toronto. Kelly Gruber got an infield hit with two outs in the 11th against Donn Pall and stole second. Kent then lined a 2-2 pitch into the left-field corner.

Expos 6, Reds 2: In Cincinnati, Gary Carter homered in his 2,000th game as a catcher and Matt Stairs drove in two runs with his first major-league hit as Montreal ended the Reds' winning streak at six games.
Carter's homer off Jose Rijo launched a four-run second inning. Stairs, called up last week from Triple-A Indianapolis, singled home the final two runs.

Dodgers 6, Cubs 2: In Chicago, Kevin Gross broke a personal seven-game losing streak against the Cubs with seven strong innings as Los Angeles completed a three-game sweep.
In a replayed Saturday:
Braves 6, Mets 1: Steve Avery pitched up six hits in eight-plus innings as New York as Atlanta won its third straight and extended the Mets' losing streak to four games.

Twins 7, Tigers 1: In Minneapolis, shortstop Travis Fryman couldn't handle pinch-hitter Leany Webster's bases-loaded groundout — Detroit's third eighth-inning miscue — capping a five-run rally.
Royals 8, Rangers 2: Mike MacFarlane, one day after snapping an 0-for-17 slump, doubled to key a four-run fourth that led

San Diego 3, Padres 1: Bob Tewksbury pitched a four-hitter and lowered his league-leading earned-run average to 1.78 as St. Louis ended a season-high three-game losing streak.
Against visiting San Diego, Tewksbury walked none and struck out two. In 76 innings this season, he has walked only six.

Blue Jays 2, White Sox 1: Reserve infielder Jeff Kent doubled home the winning run with two outs in the 11th in Toronto. Kelly Gruber got an infield hit with two outs in the 11th against Donn Pall and stole second. Kent then lined a 2-2 pitch into the left-field corner.

Angels 3, Indians 1: In Anaheim, California, Bert Blyleven pitched three-hit ball over seven innings for his 28th career victory, and his first since July 1990.
Blyleven retired 15 of the last 17 batters he faced to help snap the Angels' five-game losing streak and end an Indians' winning streak at four.

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